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Groups of countries in special situations: specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Implementation of the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 63/228 of 19 December 2008, in which the Assembly requested the Secretary-General to submit to the Assembly at its sixty-fourth session an analytical report on the progress made in the implementation of the Almaty Programme of Action and the declaration on the midterm review thereof.

Lack of access to the sea, the long distance from major international markets, cumbersome transit procedures and inadequate transport infrastructure continue to be the main factors behind the high costs of external trade transactions for landlocked developing countries. Moreover, the structural vulnerabilities of these countries expose them to the severe negative impacts of the current global economic crisis, food security issues and climate change, which threaten to jeopardize progress made so far.

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During the reporting period, landlocked and transit developing countries continued their efforts to implement specific actions called for in the Almaty Programme of Action with the support of the United Nations system and other development partners. Important policy reforms were adopted with a view to mitigating the impact of physical and non-physical barriers to their effective participation in international trade.

However, significant financing gaps remain with respect to ensuring greater connectivity and adequate infrastructure, which are needed to provide the backbone for sustaining economic and social development of landlocked regions worldwide. In this regard, United Nations system organizations and other Almaty development partners stepped up their technical and financial support in order to assist the landlocked developing countries in their efforts to accelerate the implementation of the Almaty Programme of Action.

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I. Introduction

1. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries[1] was adopted in 2003 as the United Nations response to the growing recognition by the international community of the special needs and challenges faced by the landlocked developing countries in achieving their development goals. Inherent geographical difficulties that deprive them of direct access to the sea hinder the landlocked developing countries' efforts to eradicate poverty, sustain economic growth and better integrate into the world economy.

2. The overarching goal of the Almaty Programme of Action is to foster the establishment of efficient transit transport systems in all landlocked regions of the world, based on mutually beneficial collaboration with the transit developing countries and with the support of the development partners. Ever since its adoption, the Programme of Action's well-balanced agenda has been shifting international attention towards addressing the special needs of the landlocked developing countries. It focuses on five priority areas, namely (a) fundamental transit policy issues, (b) infrastructure development and maintenance, (c) international trade and trade facilitation, (d) international support measures and (e) implementation and review. The Programme of Action has achieved across-the-board recognition as the fundamental global framework for genuine transit transport cooperation by providing a win-win solution to both landlocked and transit developing countries.

3. After five years of progress in the implementation of the Almaty Programme of Action, a midterm review was carried out by the General Assembly during a high-level plenary meeting on 2 and 3 October 2008, with the objective of assessing the progress made, the lessons learned and the constraints encountered in the first half of the implementation period.

II. Overall social and economic situation of landlocked developing countries

4. There are 31 landlocked developing countries the majority of which are among the poorest nations in the world. In 19 landlocked developing countries, the gross domestic product (GDP) per capita remains well below $1,000. On the United Nations Development Programme (UNDP) human development index scale, 10 of the 20 lowest-ranking countries are landlocked developing countries.

5. The economic performance of this group of countries continues to be penalized by inherent geographical disadvantages which deprive them of direct access to seaborne trade. Their situation is almost always aggravated by the fact that landlockedness coincides with other factors such as remoteness from major markets and difficult topography, as well as tropical or desert ecology. In addition, poor infrastructure, inefficient logistics systems and weak institutions compound the

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[1] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

adverse effects of geography, leading to high trade transaction costs. Such severe difficulties are amplified by landlocked developing countries' dependence on the political stability, the infrastructure and the institutional quality of coastal transit countries.

6. Over the past decade, the challenges of being landlocked have reduced the competitiveness of domestic economic operators in these countries, leading to an overall economic performance that has been consistently worse than their neighbours' when measured by GDP, foreign direct investment (FDI) inflows and merchandise imports and exports. High transaction costs and inefficiencies constitute important barriers to trade and FDI and thus to economic growth and poverty reduction and they remain the main reasons behind the continued marginalization of the landlocked developing countries within the global economy.

7. As a group, the landlocked developing countries benefited until mid-2008 from the generally favourable global economic climate which saw developing economies growing faster, on average, than developed economies. In the period 2003-2007, the group's GDP had grown at an average annual rate of 7.7 per cent, while their average GDP per capita reached $1,419, up from $725 in 2003 (see annex, table 1). The main driver of such remarkable growth was the rise in primary commodity prices, including oil, gas and metals, coupled with improved macroeconomic management and institutional reforms. However, high economic growth was not accompanied by diversification of productive capacities, with primary commodities still making up a large proportion of total exports. As a result, the group remains highly vulnerable to external trade shocks.

8. In an effort to attract FDI, many landlocked developing countries adopted strategic policy reforms, such as investment guarantees, fiscal incentives, national treatment provisions, easy profit repatriation and simplified administrative procedures. They also continued to liberalize their economies and opened up new sectors for private investment. These measures brought about a significant increase in the FDI received by these countries, which hit a record high of $14 billion in 2007 (see annex, table 7). Nevertheless, even these record inflows remain low, representing a near-negligible 0.8 per cent of global FDI. Furthermore, resource-seeking flows, some originating from developing economies with large current-account surpluses, were primarily drawn by rising commodity prices into the oil and natural gas sectors and into infrastructure projects. Out of total inflows in 2007, 73 per cent went to Kazakhstan alone. Landlocked developing countries should further strengthen efforts to attract more growth- and employment-inducing FDI, alongside diversification strategies.

9. Improved macroeconomic management by the group also resulted in lower ratios of external debt to gross national income (GNI), which declined from 66 per cent in 2003 to 48 per cent in 2007 (see annex, table 3). The transit developing countries recorded an average total external debt of 19 per cent of GNI in 2007. Among the landlocked developing countries, only Kazakhstan and the former Yugoslav Republic of Macedonia saw their external debt-to-GNI ratio increase in recent years. In 2009, Burundi qualified for full debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative: approximately $830 million was cancelled. Ten landlocked developing countries have reached the HIPC completion point and benefited from further debt reduction through the Multilateral Debt Relief Initiative. Notwithstanding the progress made, the debt burden for many landlocked

developing countries remains heavy. Seven out of 22 had high debt service-to-export ratios that exceeded 10 per cent of exports on average in 2006-2007. The sustainability of their debt situation is jeopardized by the fact that the vast majority of landlocked developing countries do not have large enough foreign reserves to weather external shocks, even of a short-term nature, without experiencing the need for recourse to external resources. Continued prudence in macroeconomic management will thus be critical.

10. Against these positive changes, landlocked developing countries continue to be particularly vulnerable to external shocks owing to their lack of export diversification, dependence on export revenues from a very limited number of commodities, prohibitive trade transaction costs, concentration of exports directed to advanced economies, dependence on official aid, high external debt, inadequate foreign reserve levels, and reliance on remittances from migrants abroad.

11. A series of global economic crises present a major threat to the development prospects of landlocked developing countries. During the current global economic crisis, the inherent vulnerability of landlocked developing countries has exposed their economies to severely adverse impacts, transmitted through the credit squeeze, trade financing difficulties, contraction in flows of investment finance, potential reduction in official aid flows and, most importantly, through the collapse of export demand and commodity prices.

12. As landlocked developing countries are commodity-dependent for their export revenues, the extreme volatility of commodity prices in 2008 had a significant impact on their economies. After a steep surge, non-energy commodity prices declined by 38 per cent in the second half of 2008, with substantial declines in agricultural raw materials and metals and minerals. Petroleum prices fell by 69 per cent in the same period. Such sharp price declines significantly hurt the earnings of landlocked developing commodity exporters, which are also faced with sharp reductions in FDI and an increasing shortage of trade finance owing to the drying up of global liquidity and the reassessment of risks by commercial banks. This has substantially eroded their already weak competitiveness due to the high trade transaction costs and geographical disadvantages that beset these countries. Without effective external support, the landlocked developing countries will continue to be driven to the outer fringes of the global economy.

13. With falling export volumes and commodity prices unlikely to recover in the short run, the International Monetary Fund (IMF) growth projections for 27 landlocked developing countries exhibit sharp reductions in growth rates in 2009 as compared with the year before. For some of these countries, the differential will reach double-digit declines, leading to drastic balance-of-payments deteriorations. The landlocked developing countries will face stiff economic challenges in the coming year to their efforts to finance their way out of the recession and donor support will be vital to mitigating the worst consequences. For these countries, the need to protect advances in Almaty Programme of Action implementation and to avoid drastic reductions in expenditures on important public services and development projects, such as investment in and maintenance of transport and related infrastructure, highlights the urgency of increased aid, debt relief and concessional lending by donors. The implementation of counter-cyclical policy, underpinned by a timely external resource injection, is needed to help avert further macroeconomic instability in landlocked developing countries.

14. It is thus crucial that the international community devote particular attention to remedying the negative impacts of the global financial and economic crisis on the landlocked developing countries. The G-20 commitment of April 2009 to making available an additional $1.1 trillion through a programme aimed at revitalizing the world economy is a welcome step, though a very limited share of the resources ($50 billion) is targeted to low-income countries. IMF, the World Bank and regional development banks have, at different levels, put forward programmes to assist developing countries hit by the crisis. The IMF resources were trebled, including a new allocation of special drawing rights of $250 billion and $6 billion in additional concessional and flexible finance for low-income countries over the next few years. The challenge ahead is to ensure timely delivery on all such commitments, within an improved lending framework, so as to substantially assist landlocked developing countries facing financing gaps.

15. Climate change poses a serious and potentially permanent threat to the economic and social development of landlocked developing countries, even though its root causes are overwhelmingly not of their own making. Global temperature increase, desertification, decline in rainfall, reduced water availability and severe droughts, as well as extreme weather events, are common consequences of climate change faced by landlocked developing countries.

16. For landlocked developing countries, the task, ever more difficult in times of crisis, is to connect and meet, in a balanced way, the challenges of development and climate change through long-term management of economic and natural resources in a more sustainable manner. Strong political commitment is needed to promote integrated climate policy and development goals and ensure increasing adaptive capacity and resilience in coping with the unavoidable climate change impacts. The massive financing needs represent a major obstacle to climate progress for the most vulnerable developing countries. The full support of the international community is required through enhanced and effective financing mechanisms and technology support for projects designed to reduce greenhouse gas (GHG) emissions and promote capacity-building for adaptation at the national level, as well as through critical technology transfer. Landlocked developing countries should pay attention to the potential impacts of climate change on transportation systems. Proposed carbon tax schemes to reduce greenhouse gas emissions from international shipping may increase transport costs for these countries.

III. Priorities

A. Fundamental transit policy issues

17. Inefficiencies in trading across the border continue to hamper the competitiveness of landlocked developing countries. A recent World Bank study of 126 economies estimated the loss from export delays at about 1 per cent of trade for each extra day; for perishables, the figure is about 3 per cent of export volume. With a view to correcting such inefficiencies and facilitating trade flows, landlocked and transit developing countries have been engaging increasingly in the revision of those of their regulatory frameworks that are applicable to transit transport and trade.

18. The removal of physical and non-physical barriers to the effective participation of landlocked developing countries in international trade requires the

involvement of many Government agencies. Trade and transport facilitation strategies must become an integral part of policy reform programmes and poverty reduction strategies. Their effective implementation depends on the establishment and efficient functioning of proper inter-agency coordination institutions involving all of the many government authorities engaged in border control.

19. Collaboration between public and private sector stakeholders in transit transport is also critical for successful corridor management, infrastructure development and investment, introduction of new information and communications technologies (ICT) and transit service operations. The effective participation of the private sector in policy formulation and decision-making will not only facilitate the adoption of suitable measures but also secure the sector's cooperation in implementing the new measures.

20. Since many of the most important trade and transport facilitation issues lie outside any individual country's control, broader cooperation at the bilateral, regional and global levels is necessary in order to ensure a harmonized approach to the design, implementation and monitoring of trade and transport facilitation policy reforms across borders.

21. Since the adoption of the Almaty Programme of Action, progress has been registered in institutional reforms aiming at strengthening public and private sector dialogue so as to enhance domestic competitiveness. National trade and transport facilitation committees with balanced private and public sector participation have been established and supported by a growing number of landlocked and transit developing countries, especially in the Asian region, such as Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia, Nepal and Tajikistan, as well as by transit developing countries, such as Cambodia, China, Pakistan and Thailand.

22. Functions of the national committees vary from one country to another, but the overall objectives are to (a) identify issues affecting the cost and efficiency of their country's international trade; (b) develop measures to reduce the cost and improve the efficiency of international trade; (c) assist in the implementation of those measures; (d) provide a national focal point for the collection and dissemination of information on best practices; and (e) participate in international efforts to improve trade efficiency. For example, Mongolia's National Committee on Trade and Transport Facilitation, established in 2007, adopted a detailed "Transit Mongolia" development programme. Through increased use of public-private partnerships, the programme aims at modernizing Mongolia's transport and logistics service market, so as to ultimately transform it from a landlocked to an efficient transit developing country. The Trade and Transport Facilitation in Southeast Europe regional programme fosters trade by promoting more efficient and less costly trade flows across the countries in the subregion and aims to provide European Union (EU)-compatible customs standards. A major component of its implementation is the quarterly interaction and networking of national public-private working groups, established in all participating countries, including the Republic of Moldova and the former Yugoslav Republic of Macedonia.

23. According to the World Bank report, *Doing Business 2009*,[2] Senegal became one of the top reformers in 2007-2008 by easing the administrative requirements for

[2] Basingstoke, United Kingdom, Palgrave Macmillan, 2009.

transit trade, which also benefited neighbouring landlocked countries. A new electronic single-window system links all those involved in the clearance process, namely, customs, customs brokers, banks, the treasury, traders and relevant Government ministries. A border cooperation agreement was signed between Senegal and Mali, harmonizing trade documents so that, once goods were cleared at Dakar, Malian traders would need no additional documents. The number of checkpoints between Dakar and Bamako dropped from 25 to 4, reducing the average transport time between the two capitals by one week. Mali also abolished a requirement that all cargo trucks carrying exports have an official escort to the border, thus reducing delays.

24. Mongolia introduced risk-based inspections alongside electronic transmission of documents, lowering substantially the number of containers that are inspected on average, thus infusing greater efficiency into the customs clearance process. The fact that Botswana licensed more customs brokers has been spurring competition and leading to lower customs brokerage fees. Uruguay completed its automated customs system, which allows traders to send customs documents directly from their office. Brazil introduced an electronic manifest system, allowing customs clearance to begin before the cargo arrives. Kenya extended ports' operating schedule to 24 hours. Nigeria began to reap the benefits from concessioning its container terminals to private operators.

25. As of June 2009, commercial trucks hauling goods from Thailand were able for the first time to enter into the Lao People's Democratic Republic and Viet Nam. This followed the formal exchange of traffic rights and introduction in the three countries of a regional customs transit system. The system is implemented among the countries under the Greater Mekong Subregion (GMS) Cross-border Transport Agreement, as part of an Asian Development Bank programme to create an East-West economic corridor. Thai shipments had previously needed to be unloaded and reloaded in the territory of the Lao People's Democratic Republic. This latest initiative, in tandem with recently implemented single-window and single-stop border inspections, is expected to sharply reduce overland transport time and boost trade and economic development in the subregion.

26. The widespread progress made by the landlocked and transit developing countries in reforming their transit transport policies brought positive results. The reduction by seven days, for the period 2005-2008, of the average time taken by a landlocked developing country to complete export formalities has been a remarkable achievement. The time for import dropped by six days in the same period. The transit developing countries take 11 and 16 days less for export and import, respectively, than in 2003.

27. Against these positive changes, African landlocked developing countries continue to face very high transport costs. According to *Doing Business 2009*, 9 out of the 10 worst performers in the category that considers the cost of exporting a container are landlocked developing countries and among those, the majority are African countries. *The African Competitiveness Report 2009*[3] underscores the fact that landlocked countries in Africa pay close to one third more in inland transportation costs than landlocked countries outside Africa. Those are significant costs which penalize firms in the continent.

[3] Geneva, World Economic Forum, 2009.

28. A recent World Bank analysis shows that the poor coverage of infrastructure networks may not be the main reason behind the exceptionally high price of Africa's transport services. In particular, in Central and Western Africa, high road freight tariffs have much more to do with high profit margins than high costs. In these subregions, notwithstanding the low efficiency provided, profit margins of trucking companies can reach levels of 60-160 per cent owing to limited competition in the sector. Bilateral transit treaties with quotas, freight allocations and queuing systems lead to poor quality of services and low productivity with no incentives for companies to improve efficiency. Such treaties are justified as safeguarding landlocked countries' fleets. However, the intended benefits are captured by a few cartel-creating players. The age of the truck fleet and low utilization of vehicles also contribute to higher-transport costs. Increased competition and liberalization of trucking services are recommended in order to bring down transport prices, improve service quality and allow road users to effectively reap the benefits of costly investments in infrastructure rehabilitation. A mitigating plan should accompany such policy changes so as to minimize the social effects of introducing competition, including reduction in the number of trucking operators.

29. In sub-Saharan Africa, the role of trade and transport facilitation committees, several of which were established in the 1990s (in Malawi, the United Republic of Tanzania and Zambia), has generally been taken over by the active engagement and broad participatory function of transport corridor groups. These are composed of both public and private sector stakeholders from all corridor countries involved in infrastructure investment and management. They promote the application of streamlined procedures and practices designed to facilitate trade and transport operations along the corridor and in its hinterland.

30. The Walvis Bay Corridor Group, with its public-private partnership set-up and direct links to the resources and authorities of both transport regulators and transport operators, coordinates and facilitates trade along the Walvis Bay Corridors. It was the main force behind the renovation and regular maintenance of the Port of Walvis Bay, which has attracted increasing cargo volumes of copper exports from Zambia and the Democratic Republic of the Congo. The Port provides a more direct route, with a single border crossing at the Katima Mulilo bridge and shorter transit times than those along the traditional routes to the further-away ports of Dar es Salaam and Durban. Namibia also entered into agreements with Botswana and Zimbabwe to provide land on which to build dry port and storage facilities. Along the Trans-Caprivi Corridor, reforms have harmonized axle loads and border operating hours between Namibia and Zambia, reduced the number of checkpoints and extended visas for commercial vehicle drivers from 3 to 12 months.

31. The Northern Corridor Transit Transport Coordination Authority has been urging all of the member States of the Common Market for Eastern and Southern Africa (COMESA) to adopt the regional harmonized Customs Bond Guarantee Scheme, which would produce significant transport savings and a quicker release of vehicles by eliminating the necessity of executing bond guarantees for each country transited. Together with COMESA, the Southern Africa Development Community (SADC) has been a leader in the promotion of regional facilitation measures, including the adoption of the one-stop-border concept, harmonized customs transit documents, regional driver training manuals, standardized road traffic signs and standards and specifications for roads and bridges. Most member States have also carried out reforms to establish road funds and autonomous road authorities.

Zambia's National Road Fund Agency developed a $1.6 billion 10-year programme for the expansion, upgrading and maintenance of roads, including building tolled highways using public-private partnerships. The planned one-stop border post at Chirundu is expected to open officially in September 2009, after two years of complex negotiations between neighbouring Zambia and Zimbabwe, which produced a bilateral agreement covering the legal framework, procedures and infrastructure adjustments needed to improve the traffic flow. Supported by trade facilitation initiatives such as pre-clearance, post-clearance audits, self-assessment, risk profiling and risk management techniques and inland clearance systems, it is expected that the one-stop border post will result in beneficial clearance times of not more than two hours on arrival at the border, a marked improvement from the average three days recorded last year.

32. Regional integration efforts in sub-Saharan Africa were given a strong push by the 22 October 2008 Tripartite Summit in Uganda, attended by Heads of State and Government, which was held to discuss the creation of a free trade area across three of Africa's main regional economic communities, COMESA, the East African Community (EAC) and SADC. The driving force behind this historic development was the need to tackle overlapping trade arrangements of the three organizations which had been becoming increasingly problematic as a result of deepening regional integration. SADC launched a free trade area in August 2008; and COMESA launched a customs union in June 2009. Both blocs also have members in EAC, which had launched its customs union in 2004 and set itself a 1 January 2010 target for having an operational common market allowing the free movement of goods, people, capital and services within the bloc. The proposed free trade area among the three regional economic communities would introduce a new trade bloc encompassing a combined population of more than 500 million people and with a combined GDP of $624 billion. Apart from trade liberalization and customs cooperation, a key area of cooperation with great potential for the broader region should be the development of joint infrastructure programmes and cross-border projects, including financing and implementation thereof.

33. In the area of accession to international conventions on transport and transit, greater membership of landlocked and transit developing countries in major international transit transport conventions needs to be encouraged. On the occasion of the United Nations treaty event 2008: "Towards Universal Participation and Implementation", the Lao People's Democratic Republic acceded to the International Convention on the Harmonization of Frontier Control of Goods (21 October 1982).[4]

34. Intraregional harmonization of transit transport legal frameworks has advanced in Asia. The Intergovernmental Agreement on the Trans-Asian Railway Network, developed under the aegis of the Economic and Social Commission for Asia and the Pacific (ESCAP), entered into force on 11 June 2009. Cambodia, China, India, Mongolia, the Republic of Korea, the Russian Federation, Tajikistan and Thailand are parties to this agreement. The Trans-Asian Railway Network represents, in parallel with the Intergovernmental Agreement on the Asian Highway Network which entered into force on 4 July 2005, a major building block towards the realization of effective intermodal transportation systems. Both networks and their technical design standards form the basis for the development of infrastructure

[4] United Nations, *Treaty Series*, vol. 1409, No. 23583.

cooperation programmes promoted by subregional programmes in the Greater Mekong Subregion and by organizations such as the Association of Southeast Asian Nations (ASEAN), the Central Asia Regional Economic Cooperation Programme (CAREC), the Shanghai Cooperation Organization and the Economic Cooperation Organization (ECO). For example, both the ASEAN Highway Network and the CAREC initiative road networks were formulated on the basis of the Asian Highway Network, with the same technical and design standards. A trilateral memorandum of understanding on transport development between ECO, the Islamic Development Bank and ESCAP was signed in March 2009, with a view to their working together on the further development of the two networks as well as implementation of the ECO Transit Transport Framework Agreement.

B. Infrastructure development and maintenance

35. For landlocked developing countries across the world, inadequate infrastructure development and investment for the improvement of transit routes for the purpose of accessing seaborne trade remain one of the top constraints on improving their competitiveness. Transport costs in landlocked developing countries are among the highest in the world. Roads remain the most dominant mode of transportation. Rail network coverage is sparse overall with low interconnectivity, while inland waterways are not fully exploited (see annex, table 5). For landlocked developing countries, resource mobilization for investment in priority projects of regional importance remains a central challenge. The situation has deteriorated within the new international financial landscape created by the financial and economic crisis, especially for the low-income landlocked countries. In view of this, particular attention should continue to be given to infrastructure projects of regional importance for ensuring completion, upgrading and maintenance of strategic transit corridors linking landlocked countries. Some positive developments in the area of transit infrastructure development are addressed below.

36. The African Union and the New Partnership for Africa's Development (NEPAD) (A/57/304, annex) recognize the critical contribution of the development of regional infrastructure to sustaining regional economic development and trade. In order to boost synergies, the two institutions merged their strategic frameworks (the NEPAD Short-term Action Plan and Medium-to-Long-Term Strategic Framework; and the African Union Infrastructure Master Plan) to create a common continental initiative, the Programme for Infrastructure Development in Africa (PIDA), with the support of the African Development Bank and the Economic Commission for Africa (ECA). The objectives of the Programme for Infrastructure Development in Africa are to: (a) establish a strategic framework for the development of regional and continental infrastructure (energy, transport, information and communications technology (ICT) and transboundary water resources); (b) establish an infrastructure investment programme in the short, medium and long terms; and (c) prepare an implementation strategy based on a priority action plan.

37. The launch of the SADC corridor development strategy attests to a renewed commitment to regional infrastructure development; and improved levels of cross-border collaboration are already visible. Peace in Angola has led to a remarkable injection of funds to support the Government's ambitious infrastructure development programme. Two key elements of the programme are the estimated $2 billion project to rehabilitate and modernize the Benguela Railway and the

$1.8 billion project to modernize the port at Lobito. Feasibility studies are currently under way on linking the Moçambedes Railway to Namibia, while the Government of Namibia recently approved the one-kilometre (km) extension of the railway into Angola. Angola and Zambia agreed on a plan to expand the existing railway line so as to link the two countries and to build road linkages to boost trade. The United Republic of Tanzania is developing a Dar es Salaam port master plan, a blueprint for the expansion and modernization of its port infrastructure, scheduled to begin in 2010. The port is vital to landlocked Burundi, Rwanda and Uganda. Private investors committed to financing the construction of the Mozambique-Malawi fuel pipeline and storage facility, following the signing of an $8 billion deal between the Government of Mozambique and OILMOZ for an oil refinery with a production capacity of 350,000 barrels of refined oil per day.

38. Substantial progress was made in the planning and construction of missing links in the Trans-Asian Railway network. A trilateral agreement was signed by the Governments of Azerbaijan, the Islamic Republic of Iran and the Russian Federation to construct a line section between Astara in Azerbaijan, and Qazvin in the Islamic Republic of Iran, thereby completing a 4,200-km railway corridor from Saint Petersburg to Bandar-Abbas. In the ASEAN subregion, work was completed in 2008 on the construction of a railway link between Nong Khai in Thailand and Thanaleng in the Lao People’s Democratic Republic, constituting the first stage of a project to provide a rail connection to Vientiane. In South Asia, the Government of India listed the construction of the 180-km section of the 325-km missing link with Myanmar as a priority project for the development of the Trans-Asian Railway network on its territory. In addition, it financed a feasibility study to connect five border towns in Bhutan to the nearest railheads on Indian railways.

39. Progress was also achieved in developing and upgrading the Asian Highway network. About 10,000 km of the routes were upgraded to meet the minimum standard. Of the total length of 141,236 km, road sections below minimum standards were reduced from 22,263 km to 12,256 km. The recent inclusion of the route between India and Bhutan in the network achieved the goal of providing connectivity to all landlocked countries in the region.

40. As regards the numerous national-level initiatives with subregional impact in Central Asia, Kazakhstan started implementing a $7.5 billion international transit corridor development programme established for the purpose of upgrading approximately 2,800 km along the Central Asia Regional Economic Cooperation Programme (CAREC) Transport Corridor I within its territory, linking China, at Khorgos, to the Russian Federation, at Zhaisan. Partly financed by World Bank and Asian Development Bank loans, the project will include construction of new stretches of road and rehabilitation of existing sections, which will boost Kazakhstan’s competitiveness and bring considerable economic benefits also to neighbouring Kyrgyzstan, Tajikistan and Uzbekistan. Along another CAREC corridor, Kyrgyzstan co-financed, together with the Asian Development Bank (there will possibly be other donors), the upgrade of a 39-km section of the Bishkek-Torugart road, linking it with China and other Central Asian landlocked economies. The project will also seek to improve outdated, unwieldy border-crossing facilities at the Torugart border which slow journey times and impede cross-border trade. This key transit route is the shortest road link from Kashi, China, to consumer markets in northern Kyrgyzstan, Kazakhstan and the Russian Federation, and is also part of the famous Silk Road which linked ancient China to the Western world.

41. In South America, in January 2009, Bolivia and Brazil inaugurated two road sections in Bolivia, Arroyo Concepción-El Carmen and El Carmen-Roboré (Santa Cruz), which form part of the 4,700-km interoceanic route joining the ports of Santos (Brazil) and those of Arica and Iquique in Chile. Investments in these sections, which will connect Bolivia to both the east and the west coasts through the Pailón-Puerto Suárez Highway, amount to $169.9 million. Among the expected benefits from this road project are greater development opportunities for the populations settled in the region, reduced transportation costs, stronger trade at borders and closer physical connection with the Southern Common Market (MERCOSUR).

42. The Railway Infrastructure Programme designed to integrate Argentina and Paraguay also made progress, thanks to substantial funding by the Andean Development Corporation, a subregional development bank which also funded the Road Infrastructure and Urban Improvement Programme around the border cities of Posadas (Argentina) and Encarnación (Paraguay). The Railway Infrastructure Programme, partly sponsored by Argentina, envisages the construction of a new railway and related premises between Posadas and Parada Leis, thus facilitating cargo and passenger transportation services between both countries.

43. Improvements were recorded with regard to telecommunications infrastructure in landlocked developing countries. There were on average 3.6 telephone main lines per 100 inhabitants in 2007 compared with 2.7 in 2000 (see annex, table 6). Remarkably, the figure for average mobile phone lines was 18.2 per 100 inhabitants in 2007, up from 1.1 in 2000. However, the rate of Internet users was still very low. In order to bridge this digital divide, several landlocked countries have come together to plan, build and manage a Trans-Eurasian information superhighway, including Afghanistan, Azerbaijan, the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan.

44. In Africa, high-capacity international backbone network projects seek to connect Africa to the rest of the world on an open-access basis. On the east coast, the first fibre-optic submarine cables will be ready in late 2009. On the west coast, five fibre-optic submarine cable projects and two satellite projects have been announced with the backing of African private capital, as well as public-private partnerships with international investors. In terms of regional integration, inland regional backbone networks are being built to link major cities in Eastern and Southern Africa and in landlocked Central Africa. Botswana and Rwanda are implementing projects to enable them to become ICT regional hubs. Pan-African mobile operators are promoting free-roaming services, making Africa the first region in the world to offer this innovative service.

C. International trade and trade facilitation

45. Up until 2007 and for the most part of 2008, world trade and investment flows expanded very quickly, with trade growth often outpacing gains in output. Landlocked developing countries benefited from the booming global economy. Their merchandise exports had grown at an annual average rate of 26 per cent in the period 2003-2007 and reached a total value of $84.6 billion (see annex, table 4). Much of the increase in their export performance has come from the surge in commodity prices. However, lack of export diversification exposes the group to

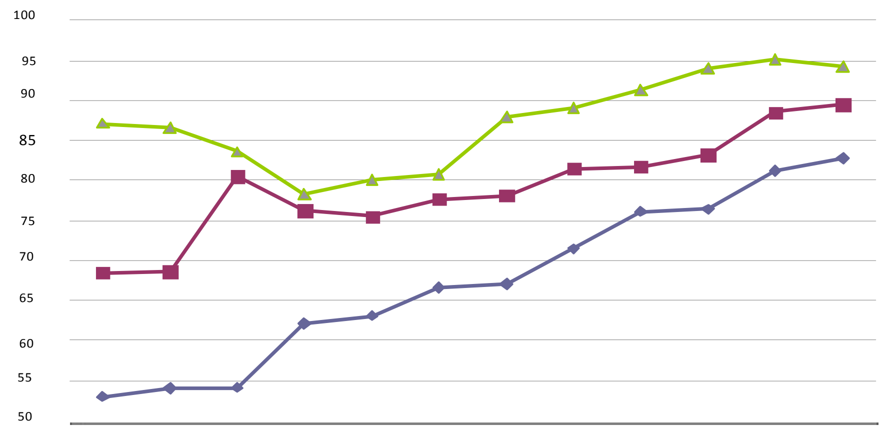
severely adverse terms-of-trade shocks, such as the one gripping the world economy in 2009. The prospects for trade growth in the medium term remain bleak in view of the current economic downturn and falling commodity prices, with the volume of world merchandise exports forecast to contract by as much as 9 per cent in 2009, its largest decline in generations.

46. Major developed countries and more advanced developing countries continued to extend favourable preferential tariff treatment to landlocked developing countries' exports. As shown in the figure, in 2007, duty-free treatment was granted by developed countries to an average of 94 per cent of total imports, excluding arms, originating from landlocked developing countries, up from 80 per cent in 2000. Many landlocked developing countries benefit from preferential market access treatment accorded to the least developed countries, including the European Union (EU) Everything But Arms initiative and the United States Africa Growth and Opportunity Act. Furthermore, most exports of landlocked developing countries are commodities on which developed countries do not impose tariffs.

47. For the period 2009-2011, EU decided to grant additional tariff reductions, under the so-called GSP plus scheme, to support selected developing countries that have ratified and effectively implemented key international conventions in the fields of human rights, labour standards, sustainable development and good governance. Among the beneficiaries are Armenia, Azerbaijan, Bolivia, Mongolia and Paraguay. However, experience shows that the utilization rate of unilateral trade preferences remains low or limited to a few products and is often hampered by burdensome rules of origin which are not commensurate with the level of development of the beneficiaries.

Proportion of total developed markets' imports from landlocked developing countries admitted duty-free (excluding arms), 1996-2007

(Percentage)



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Developing countries	53	54	54	62	63	67	67	71	76	76	81	83
Least developed countries	68	69	81	76	75	78	78	81	82	83	89	89
Landlocked developing countries	87	87	84	78	80	81	88	89	91	94	95	94

Source: The Millennium Development Goals, Goal 8: Market Access Indicators by International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD) and World Trade Organization (WTO), available at www.mdg-trade.org (accessed 4 May 2009).

48. Notwithstanding the available market access opportunities and the remarkable export growth experienced by the landlocked developing countries, their share of world trade in goods amounted to only 0.7 per cent in 2007, up from 0.5 per cent in 2003. This consistently dismal share underscores the continued difficulties encountered by the landlocked developing countries in their efforts to profit from new opportunities, created by technological advances, lower transport costs and successful rounds of multilateral trade negotiations, to harness global markets for economic growth and development.

49. During the past decade, the increase in global just-in-time production sharing, the shortening of produce life cycles and the intensification of global competition have all put a premium on moving goods across borders in a predictable, timely and cost-effective way, highlighting logistics as a strategic source of competitive advantage. For developed and developing countries alike, success in highly competitive export markets increasingly depends on the ability of firms to offer high-quality and low-cost trade services and logistics. In this highly competitive world, the quality of logistics can have a major bearing on a firm's decisions about which country to be located in, which suppliers to buy from and which consumer markets to enter. For countries with poor and unreliable links to the global logistics web, such as the landlocked developing countries, the costs of exclusion are growing and the risks of missed opportunities loom large.

50. A crucial opportunity to enhance trade competitiveness and offset some of the impacts of the current economic crisis is being offered by the ongoing Doha Round negotiations on trade facilitation at the World Trade Organization. A new trade

facilitation agreement is expected to produce a win-win situation, for business, consumers and Governments which can look forward to reaping higher revenues from modernized and more streamlined border procedures. For the landlocked developing countries, which depend to a large extent on effective transit arrangements with their neighbours for access to foreign markets, improving the rules under article V of the General Agreement on Tariffs and Trade (GATT)[5] is of particular urgency. Proposals being tabled in this regard are intended to tighten obligations to grant free passage to transiting traffic, impose stricter limits on fees, charges, formalities and documentation requirements, limit inspections and controls by using bonded transport, promote regional transit arrangements, and strengthen the non-discrimination provisions. Proposed improvements to GATT, article VIII, seek to reduce border fees and charges by requiring that they be set in line with the actual costs of border administration. Common standards should be used to simplify documentation requirements and their international harmonization promoted as far as possible.

51. The extreme importance of trade facilitation for the landlocked developing countries is reflected in their very active engagement at the negotiating table. They have submitted numerous negotiating proposals since the start of the process in 2004, even joining forces with major industrialized and transit developing countries. For instance, Mongolia submitted a proposal on the use of international standards on import and export procedures together with Norway, South Africa and Switzerland; an extensive proposal, including on basic freedom of transit, was submitted by the Republic of Moldova, Rwanda, Swaziland, Switzerland and the former Yugoslav Republic of Macedonia; Armenia, Kyrgyzstan, Paraguay and the Republic of Moldova joined Canada, the European Community, Japan and 16 other developing countries in sponsoring a detailed textual proposal related to implementation matters.

52. The trade facilitation negotiations have progressed well compared with other areas of the Doha Round which have encountered major stumbling blocks. Textual submissions are being reviewed and refined as draft legal provisions. An extensive needs assessment and technical assistance programme is being provided under the leadership of the World Trade Organization Secretariat. Being able to fully benefit from an eventual agreement on trade facilitation adds significantly to the list of prospective advantages for acceding landlocked and transit developing countries to be derived from World Trade Organization membership.

53. Gaining membership to the World Trade Organization is important in respect of benefiting from the rule-based trading system. It is also essential for ensuring stability and predictability of national trade policy and development strategies, along with being given the opportunity to be actively involved in the World Trade Organization trade negotiations. However, one third of the group’s members has not yet acceded to the World Trade Organization. Progress in this regard has been extremely slow. Azerbaijan, Bhutan and Kazakhstan advanced in the negotiation of their accession protocol during the last few years.

54. The benefits to be derived by a country once it is a member of the World Trade Organization are largely based on the terms agreed during its accession process. Therefore, in order to ensure a development-supportive accession of landlocked

[5] GATT secretariat publication, Sales No. GATT/1986-4.

developing countries, targeted technical assistance should be provided during all stages of the process to help these countries accede to the World Trade Organization on terms that are consistent with their levels of development, in the context of, inter alia, the special problems and needs due to their geographical disadvantage, and to enhance their ability to fulfil obligations associated with World Trade Organization membership. Experience has shown that it is beneficial for acceding countries to consult with, provide information to and, where appropriate, involve civil society and the private sector in their preparations to join the World Trade Organization. Furthermore, peer-to-peer collaboration, whereby landlocked developing-country members of the World Trade Organization share their experiences and provide, where possible, advice and technical assistance, should also be further encouraged, with the support of international organizations and donors.

D. International support measures

55. It is internationally recognized that achieving the priorities set out in the Almaty Programme of Action, in particular as regards transport infrastructure development and maintenance, would provide the backbone for the economic and social development of landlocked developing countries around the world. Investment in regional transport corridors, information systems and modern customs facilities at borders facilitates increases in freight and passenger movements, which provide the platform for job creation, sustainable economic growth and poverty eradication, as well as jump-start recovery from the economic crisis. Modern infrastructure also supports the necessary diversification of commodity-dependent economies into other sectors, such as tourism, manufacturing or information technology.

56. Gaps in filling the infrastructure resource needs of landlocked developing countries remain enormous. In sub-Saharan Africa, where roads continue to be the most important mode of transport, carrying 80-90 per cent of the region’s passenger and freight transport and providing the only form of access to most rural communities, total funding requirements for the completion of key missing transport links of what would constitute the Trans-African Highway was estimated at about $4.3 billion (African Union). A shortfall of $18 billion was identified in the funds required to upgrade and improve about 26,000 km of the Asian Highway, including completion of missing links and intermodal interfaces. An investment of about $10.2 billion is needed to implement the priority projects identified by the Initiative for the Integration of Regional Infrastructure in South America, with a view to sustaining regional growth and enhancing competitiveness.

57. Official development assistance (ODA), in the form of grants and concessionary loans, continues to represent the most significant source of external financing for landlocked developing countries. Bilateral donors, and multilateral and regional development and financial institutions have stepped up their support to infrastructure development, with greater focus on regional projects and programmes as key vehicles for this funding.

58. Since the adoption of the Almaty Programme of Action total flows of ODA to the landlocked developing countries have increased by an annual average growth rate of roughly 12 per cent, from $12 billion in 2003 to $18.6 billion in 2007 (see annex, table 2). As in previous years, most of the ODA increase was for debt relief,

technical assistance and emergency relief, which do not entail long-term investment in raising domestic productive capacities. Only 4 per cent of total aid was allocated to transport, storage and communications infrastructure development in landlocked developing countries. Total ODA received by the transit developing countries increased by an annual average growth rate of 6 per cent in the period 2003-2007, with about 7 per cent of total aid allocated to the transport, storage and communications sectors.

59. In sub-Saharan Africa, nearly 70 per cent of bilateral ODA is allocated to social sectors, and the share of infrastructure is modest, at about 10 per cent. However, a shift towards infrastructure spending is definitely under way, as key bilateral and multilateral donors increase infrastructure commitments, including under the auspices of the Infrastructure Consortium for Africa (ICA), which was established during the G-8 Gleneagles Summit in July 2005 and is housed in the African Development Bank. During 2005-2007, ICA members increased concessional and non-concessional infrastructure commitments by over 75 per cent, to $12.4 billion: bilateral ODA increased from $2.2 billion to $3.5 billion and multilateral ODA rose from $2.9 billion to $5.9 billion. A number of other developing countries, such as China and India, are becoming increasingly important sources of external financial support for the landlocked developing countries, with special focus on infrastructure development projects, particularly in the road, rail and energy sectors, above all in oil-exporting countries.

60. The private sector's participation in infrastructure development remains heavily concentrated in ICT. The global economic crisis is expected to negatively impact on private participation in infrastructure. The World Bank reported a slowdown in private participation in infrastructure-type projects, with commitment levels in 2008 about 15 per cent lower in value than in 2007 and about 20 per cent of surveyed private participation in infrastructure projects delayed, cancelled or at risk of being cancelled.

61. Over the past decade, the share of transport in the lending and technical operation of the Asian Development Bank grew to represent about one third of its annual lending. The African Development Bank increased its support to multinational projects by 12.9 per cent, from $2.46 billion in 2006 to $2.78 billion in 2007. The bulk of these resources went to the transport sector, followed by communications and energy. The African Development Bank also set up the NEPAD-Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF) in an effort to contribute to the mobilization of the technical and financial resources needed to strengthen the capacity of Africa's regional economic communities and Governments to formulate viable infrastructure development projects and programmes which could attract public and private investments. Originally seed-financed by the Government of Canada, it is a multi-donor facility which includes Denmark, the Department for International Development (United Kingdom of Great Britain and Northern Ireland), Norway, Germany and the African Development Bank. NEPAD-IPPF approved $4.2 billion intended for financing the preparation of seven projects in the transport, energy and communications sectors.

62. The Aid for Trade (AFT) initiative provides new opportunities to implement the Almaty Programme of Action, as it is intended to help developing countries build the supply-side capacity and trade-related infrastructure that they need to effectively connect with the global economy. Given that aid for trade can expand

only if overall ODA expands, the challenge is to ensure additional predictable concessional financing, including aid for trade, in order to avert the worst consequences of the global recession and revive economic growth prospects in landlocked developing countries. In 2007, aid for trade grew by more than 10 per cent in real terms and total new commitments from bilateral and multilateral donors reached $25.4 billion. Most of the increase ($2.6 billion) went to sub-Saharan Africa to address infrastructure needs, with the World Bank, the United States of America, Japan and the European Commission as major providers. Among the top 20 recipients were Ethiopia, Mali, Uganda, Bolivia and Afghanistan.

63. Emerging aid for trade best practices show that success largely depends on creating closer cooperation in national capitals among trade, finance and development Government authorities. This should be matched by close cooperation at the international and regional levels among intergovernmental organizations with core responsibilities in these areas and their member Governments.

64. The model aid for trade North South Corridor Programme constitutes a successful, practical example of aid for trade operationalization. An outgrowth of the decisions of the COMESA-EAC-SADC Tripartite Summit held in Uganda in October 2008, the Programme was set up to enable the three regional economic communities, their member States and the international community to implement an economic corridor-based approach to reducing cross-border trade costs in sub-Saharan Africa. The North South Corridor comprises two priority NEPAD corridors: (a) the Dar es Salaam Corridor linking the port of Dar es Salaam with the Copperbelt; and (b) the North South Corridor linking the Copperbelt to the southern ports in South Africa. It services eight countries, of which four are landlocked. The Department for International Development-financed Regional Trade Facilitation Programme identified, in a sequenced and multimodal manner, a package of projects that would upgrade transport systems and remove bottlenecks to trade along the corridor. A variety of funding mechanisms would allow various types of funds to be matched appropriately with different kinds of projects designed to attract public, private and development finance. A high-level conference held in Lusaka in April 2009 generated strong financial and technical support for the North South Corridor, with about $1.2 billion in funding committed by development partners. COMESA-EAC-SADC member States agreed on the critical importance of high-level political commitment at the national level to spearheading and monitoring implementation of agreed policy reforms needed to deepen regional integration and stressed the need to develop similar aid for trade programmes in respect of other priority regional transport and transit corridors, notably programmes to improve the Central Corridor from the United Republic of Tanzania to Rwanda and Burundi; the Northern Corridor from Kenya to Uganda, Rwanda, Burundi and the Democratic Republic of the Congo; and the Southern Sudan-Ethiopia Corridor.

65. The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States strengthened its efforts to assist the landlocked developing countries through increased mobilization of international and United Nations system-wide support and awareness-raising activities. The Office of the High Representative provided substantive assistance to the group of landlocked developing countries in assessing the impact of the global financial and economic crisis on their economies. In the context of the preparation for the Conference on the World Financial and Economic Crisis and Its Impact on Development, held in New York from 24 to 30 June 2009,

the Office of the High Representative commissioned a study focused on the impacts on the development prospects of the landlocked developing countries. The Office of the High Representative also continued to provide support to the group of landlocked developing countries in strengthening their collective negotiating capability in global forums, including multilateral trade talks, and provided substantive and organizational support to the preparation for the third meeting of ministers responsible for trade, which will be held later this year in Africa.

66. The United Nations Development Programme (UNDP) continued to actively support the Aid for Trade initiative through its membership in the Advisory Body on Aid for Trade of the Director General of the World Trade Organization and the Organization for Economic Cooperation and Development (OECD) Technical Working Group on Aid for Trade. It has spearheaded a collaborative effort that includes the United Nations Conference on Trade and Development (UNCTAD), the Economic Commission for Europe (ECE) and the Islamic Development Bank to assist the member States participating in the United Nations Special Programme for the Economies of Central Asia (Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) in undertaking national needs assessments and establishing trade development plans as a basis for identifying financing for priority areas. UNDP took the lead in the preparation of a publication on *Aid for Trade and Human Development: A Guide to Conducting Aid for Trade Needs Assessment Exercises*,[6] as part of its work within the Inter-Agency Cluster on Trade and Productive Capacity of the United Nations System Chief Executives Board for Coordination.

67. UNCTAD continued to provide technical assistance and advisory services in the areas of, inter alia, the multilateral trade negotiations, accession to the World Trade Organization, trade facilitation measures and FDI. It expanded the implementation of the Automated System for Customs Data (ASYCUDA), a computerized customs management system, to cover 20 landlocked developing countries. In 2009, the Single Administrative Document was introduced in Afghanistan along with automated customs and transit procedures. A meeting in follow-up to the midterm review of the Almaty Programme of Action was organized by UNCTAD in March 2009 for Geneva-based landlocked developing-country delegations on foreign investment in infrastructure development, including the role of transnational corporations, the impacts of the global crisis on FDI, the challenges in using public-private partnerships and aid for trade as a complement to private investment in infrastructure development.

68. The regional commissions continued to strengthen their support in the areas of transit transport policy and trade facilitation for landlocked developing countries. The Economic Commission for Africa contributed to the further implementation of the Almaty Programme of Action through its technical assistance and advisory services and the work of the Sub-Saharan Africa Transport Policy Programme (SSATP). A study tour to the Port of Djibouti and the border posts of Dewaleh and Galafi between Ethiopia and Djibouti provided a platform for the sharing by key stakeholders of views and experiences on constraints on the movement of goods along the Addis Ababa-Djibouti corridor and the acceleration of their creation of a facilitation committee for the corridor. The Sub-Saharan Africa Transport Policy Programme continued to provide its support to the Transport Coordination

[6] United Nations publication, Sales No. E.09.III.B.28.

Committee of the Regional Economic Communities in Sub-Saharan Africa and funded the implementation of transport activities of the Regional Economic Communities, such as the establishment of corridor committees and observatories for abnormal practices, and one-stop border posts, and the harmonization of legal/regulatory arrangements at border posts.

69. The ECE Inland Transport Committee continued its work on facilitating the implementation of more than 50 international agreements and conventions. These ECE legal instruments provide the legal and technical framework for the development of international road, rail, inland waterway and combined transport networks beyond the ECE region. They cover a wide spectrum of indispensable transport issues such as coherent international infrastructure networks, uniform and simplified border-crossing procedures, and uniform rules and regulations aimed at ensuring a high level of efficiency, safety and environmental protection in transport. It is widely accepted that these international legal instruments, if acceded to and effectively implemented, can substantially contribute to the achievement of the goals of the Almaty Programme of Action. In the area of trade facilitation, ECE trade standards, recommendations and tools, such as the only global standard for electronic data interchange, UN/EDIFACT, offer concrete means to improve trade procedures related to information and documentary controls.

70. Jointly with ESCAP, ECE promoted the transcontinental harmonization of transport investments in the context of the Euro-Asian Transport Linkages project. The first phase of the project culminated in a ministerial meeting held in Geneva in February 2008, where ministers and high-level representatives of 19 countries signed a joint declaration. More than 230 projects were identified for about $40 billion, with half already being implemented.

71. In March 2009, ESCAP and ECE launched the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UN NExT), to strengthen networking and capacity-building support in respect of implementing trade facilitation measures in least developed and landlocked developing countries. The Network, which has established a community of knowledge and practice to help policymakers better understand issues at stake, will act as a clearing house for lessons learned. In collaboration with the Asian Development Bank, ESCAP developed a Trade Facilitation Handbook with the aim of bridging the information gaps between policymakers and practitioners and providing empirical evidence and case studies relevant to the adoption of selected trade facilitation measures. ESCAP also established a Forum of Asian Ministers of Transport, which is expected to play a significant role in providing strategic guidance for transit transport regional development.

72. The Economic Commission for Latin America and the Caribbean (ECLAC) has engaged in the analysis of logistics costs associated with trade for selected goods of particular interest to Bolivia and Paraguay, in order to assess the impacts on their economic development and formulate policy recommendations. ECLAC also followed up on the RoRo proposal arising from the UNCTAD/ECLAC project M4 for improving transport conditions among Bolivia, Paraguay and Uruguay.

73. In the context of the ongoing negotiations on trade facilitation, the World Trade Organization secretariat put in place an extensive programme of technical assistance with the help of customs experts from other intergovernmental organizations, such as the World Bank, UNCTAD and the World Customs

Organization, as well as the national administrations of World Trade Organization members. Expert support is provided in response to individual requests by developing countries, including acceding countries, to help the different national agencies involved in border management review their current trade facilitation practices and to assess what more they would need to do to implement the full package of draft proposals currently on the table. The programme encourages better and closer cooperation among the different national border agencies. As of May 2009, 16 landlocked developing member States of the World Trade Organization, including acceding Afghanistan, had received such needs assessment programme support, and another 5 were being scheduled. Fifteen transit developing countries also received such support. Other landlocked and transit developing countries are encouraged to take advantage of the World Trade Organization-led needs assessment programme.

74. World Bank financial support to developing countries' transport infrastructure reached over $870 million in 2008. A Trade Facilitation Facility was recently launched in the form of a multi-donor trust fund established to support developing countries' competitiveness by strengthening the quality of trade facilitation systems and reducing trade costs. Technical assistance and advisory services will focus on the implementation of practical initiatives in areas of border management improvement, institutional development, trade procedures, logistics services markets and gateway infrastructure and will support trade corridors and other regional facilitation initiatives.

IV. Implementation and review

75. The declaration of the high-level meeting of the sixty-third session of the General Assembly on the midterm review of the Almaty Programme of Action, the outcome document of the midterm review, was adopted by the Assembly in its resolution 63/2 of 3 October 2008. The declaration identified concrete actions to be taken by the landlocked and transit developing countries, with the support of their development partners, to accelerate the implementation of the goals of the Almaty Programme of Action during the second half of the decade. The declaration generated, among members of the entire international community, a renewed sense of the urgency of focusing on the specific challenges faced by landlocked developing countries in establishing efficient transit transport systems in tandem with their transit neighbours. The United Nations system and other relevant development and financial organizations, at the international and regional levels, have geared up for action and strengthened their support to landlocked and transit developing countries in the priority areas identified in the Almaty Programme of Action.

76. As an immediate response to the declaration on the midterm review, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States convened the Fifth Inter-agency Consultative Meeting on the Almaty Programme Implementation, held in Geneva on 2 March 2009. The Meeting endorsed a Matrix containing activities and programmes to be implemented in the immediate future by United Nations system and other international organizations in order to ensure better coordination of and synergy in their efforts in the areas of: intergovernmental processes; transit policy

issues; transit transport infrastructure; international trade and trade facilitation; and resources mobilization. The Matrix will be reviewed regularly to monitor progress.

77. United Nations system organizations continued their efforts to develop internationally acceptable indicators to measure progress in the implementation of the Almaty Programme of Action. The Office of the High Representative compiled revised statistics with latest available data on macroeconomic variables, ODA, debt sustainability, and participation in international trade, as well as selected transport infrastructure indicators. ESCAP expanded its training and advisory services on the practical applications of the time/cost-distance methodology, an important tool for identifying, isolating and addressing the major bottlenecks impeding smooth and efficient cross-border transport (also available in Arabic, Chinese, French and Russian). The methodology toolkit was upgraded with more user-friendly analytical functions.

V. Conclusions and recommendations

78. Inherent geographical difficulties, and poorly developed transport, communications and border management and logistics systems in both landlocked and transit developing countries hamper productivity, growth, and poverty reduction. High trade transaction costs lie at the core of the continued marginalization of the landlocked developing countries within the world economy. Lack of export diversification, and concentration on few export commodities, associated with low foreign-exchange reserves and dependence on external financial flows, expose them to severe external shocks.

79. The Almaty Programme of Action remains a sound global framework for establishing genuine partnerships at the bilateral, regional and international levels aimed at addressing the special needs of landlocked developing countries by establishing efficient transit transport systems. Its implementation and that of the declaration on the midterm review of the Programme of Action should be further accelerated.

80. **Policies to enhance domestic competitiveness of landlocked developing countries should be vigorously pursued through investment in building productive capacities, reducing commodity dependence, improving transit transport infrastructure, reforming transit policies, liberalizing transport services and implementing trade facilitation measures at national and regional levels.**

81. **Since important trade and transport facilitation issues lie beyond the control of landlocked developing countries, broader and more effective cooperation between landlocked and transit developing countries is necessary to ensure a harmonized approach to the design, implementation and monitoring of trade and transport facilitation policy reforms across borders. The role of regional and subregional organizations should be further strengthened in the implementation of the Almaty Programme of Action, as they are crucial to the development of regional integrated infrastructure networks, completion of missing links, implementation of trade facilitation measures and broader application of information technology.**

82. **Relevant United Nations and other international organizations should provide greater support to the landlocked and transit developing countries, inter alia, through well-coordinated and coherent technical assistance programmes in transit transport and trade facilitation. The adoption of a Matrix by the Fifth Inter-agency Consultative Meeting on the Almaty Programme Implementation is a welcome step and should be further pursued.**

83. **Harmonization of the legal frameworks for transit transport cooperation at the regional level should be pursued with strong political will, especially in the implementation phase. Landlocked and transit developing countries should also continue to make efforts to accede to relevant multilateral conventions in the area of transit transport and trade.**

84. The current global economic crisis, coming on the heels of the food and energy crises, represents an immediate and serious threat to the development prospects of the landlocked developing countries. **There is an urgent need for additional and predictable development assistance by the international community in the form of flexible, concessional and fast-disbursing financial resources to assist landlocked developing countries facing financing gaps.**

85. ODA remains the major source of external financing for landlocked developing countries. Investment in infrastructure development in these countries requires significant international support. **Bilateral and multilateral donors should continue to increase their financial support to fill the large infrastructure gaps in landlocked and transit developing countries through grants and concessional loans so as to improve the level of intraregional connectivity, with a view to ensuring completion, upgrading and maintenance of strategic sea corridors extended into landlocked countries.**

86. **Special attention should be given to landlocked developing countries in the context of the Aid for Trade initiative. These countries should increasingly develop integrated trade and transport infrastructure projects with a corridor-based approach. Bilateral and multilateral donors are encouraged to provide additional flows of aid for trade in order to support requests for trade-related capacity-building and implementation of trade facilitation measures in landlocked developing countries.**

87. **A development-supportive accession of landlocked developing countries to the World Trade Organization should be ensured through targeted technical assistance during all stages of the process. Their special problems and needs due to their geographical disadvantages should be taken into account so as to enhance their ability to fulfil obligations associated with World Trade Organization membership. In the context of the trade facilitation negotiations, landlocked developing countries should strengthen their concerted efforts to ensure better conditions for transit trade. Relevant United Nations and other international organizations should provide greater support for the strengthening of the negotiating capacities of landlocked developing countries and their ability to implement trade facilitation measures.**

88. Climate change presents daunting challenges for the economic and social development of landlocked developing countries. **Strong political commitment is needed to promote combined climate and development goals and ensure increasing adaptive resilience with respect to the unavoidable consequences of**

climate change. Financial and technical resources, as well as capacity-building, are crucial to helping landlocked developing countries cope with such challenges.

Annex

Selected development and transport indicators for landlocked developing countries

Table 1
Gross domestic product and gross domestic product growth, 2000-2007

	Estimates of GDP at constant 1990 prices (millions of US dollars)			*GDP per capita (current US dollars)*	*GDP average annual growth (percentage)*		
Landlocked developing countries	*2000*	*2003*	*2007*	*2007*	*2000-2003*	*2003-2006*	*2007*
Afghanistan	2 713	5 420	8 202	345	25.9	10.4	12.4
Armenia	1 464	2 070	3 285	3 057	12.2	12.6	11.1
Azerbaijan	3 835	5 179	12 130	3 691	10.5	23.3	25.1
Bhutan	466	591	893	1 982	8.2	7.2	22.5
Bolivia	7 047	7 542	8 991	1 378	2.3	4.5	4.6
Botswana	5 774	6 834	8 525	5 739	5.8	5.5	6.2
Burkina Faso	5 181	6 318	8 019	483	6.8	5.9	6.7
Burundi	970	1 023	1 194	118	1.8	3.4	5.5
Central African Republic	1 752	1 630	1 829	394	-2.4	2.5	4.2
Chad	2 172	3 004	4 514	692	11.4	14.3	0.6
Ethiopia	14 417	15 168	23 279	201	1.7	11.4	11.2
Kazakhstan	20 594	28 058	40 541	6 753	10.9	10.0	8.7
Kyrgyzstan	740	834	994	704	4.1	3.3	8.3
Lao People’s Democratic Republic	1 593	1 887	2 531	711	5.8	7.5	8.0
Lesotho	874	939	1 131	797	2.4	4.7	4.9
Malawi	3 149	3 265	4 163	257	1.2	5.9	7.4
Mali	3 742	4 699	5 501	554	7.9	4.5	2.5
Mongolia	1 448	1 671	2 366	1 481	4.9	8.8	9.9
Nepal	6 676	7 273	8 100	419	2.9	2.8	2.5
Niger	2 996	3 651	4 216	289	6.8	3.8	3.1
Paraguay	5 442	5 765	6 856	1 959	1.9	3.8	6.4
Republic of Moldova	1 380	1 684	2 098	1 158	6.9	6.5	3.0
Rwanda	2 646	3 094	3 902	354	5.4	6.0	6.0
Swaziland	1 185	1 268	1 392	2 520	2.3	2.4	2.4
Tajikistan	1 091	1 472	1 970	555	10.5	7.5	7.8
The former Yugoslav Republic of Macedonia	4 163	4 121	4 874	3 703	-0.3	4.0	5.0
Turkmenistan	2 413	2 585	3 518	1 461	2.3	7.8	8.5
Uganda	7 152	8 476	10 678	403	5.8	5.8	6.5
Uzbekistan	14 469	16 448	21 876	704	4.4	7.4	7.4

Landlocked developing countries	Estimates of GDP at constant 1990 prices (millions of US dollars)			GDP per capita (current US dollars)	GDP average annual growth (percentage)		
	2000	2003	2007	2007	2000-2003	2003-2006	2007
Zambia	4 002	4 523	5 679	974	4.2	5.9	5.8
Zimbabwe	9 267	7 743	6 650	159	-5.8	-2.9	-6.1
Landlocked developing countries	**140 813**	**164 235**	**219 897**	**1 419**	**5.3**	**7.5**	**7.7**
Transit developing countries	**3 562 612**	**4 157 966**	**5 661 139**	**2 432**	**5.3**	**7.9**	**8.2**
Developing countries	**6 365 500**	**7 203 000**	**9 441 300**	**2 710**	**4.2**	**7.0**	**7.1**

Sources: United Nations Statistics Division, *National Accounts Main Aggregates Database*, available at http://unstats.un.org/unsd/snaama/introduction.asp (accessed 1 May 2009). Rates-of-growth calculations by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

Table 2
Official development assistance (ODA) receipts and total donor assistance for transport, storage and communication, 2003, 2006 and 2007

	Net ODA receipts (millions of US dollars)			*ODA/GNI (percentage)*	*Donor assistance for transport, storage and communication (millions of US dollars)*		
Landlocked developing countries	*2003*	*2006*	*2007*	*2007*	*2003*	*2006*	*2007*
Afghanistan	1 591	2 999	3 951	34	59.9	171.5	168.7
Armenia	249	213	352	4	4.4	0.4	1.7
Azerbaijan	301	206	225	1	0.2	1.8	1.6
Bhutan	77	94	89	8	8.5	13.7	7.8
Bolivia	939	844	476	4	2.4	2.4	15.4
Botswana	28	66	104	1	0.0	0.3	0.4
Burkina Faso	522	870	930	14	39.0	39.7	92.0
Burundi	227	415	466	50	0.1	3.6	12.9
Central African Republic	51	133	176	10	2.9	5.2	2.6
Chad	251	284	352	6	28.3	20.9	13.5
Ethiopia	1 600	1 948	2 422	12	60.3	138.9	149.9
Kazakhstan	270	172	202	0	59.0	4.2	1.3
Kyrgyzstan	200	311	274	8	1.1	2.6	6.6
Lao People’s Democratic Republic	301	364	396	11	33.7	33.8	41.0
Lesotho	79	72	130	7	13.3	2.2	0.5
Malawi	515	684	735	21	27.9	7.3	14.2
Mali	554	825	1 017	15	37.1	46.1	98.9
Mongolia	250	202	228	6	23.3	8.2	12.9
Nepal	463	512	598	6	35.8	27.3	34.3
Niger	461	514	542	13	16.1	5.4	44.3
Paraguay	51	56	108	1	2.4	2.1	0.7
Republic of Moldova	118	224	269	5	0.1	0.1	0.2
Rwanda	335	586	713	22	7.6	13.0	14.0
Swaziland	34	35	63	2	1.1	9.7	4.8
Tajikistan	148	240	221	6	..	0.5	2.8
The former Yugoslav Republic of Macedonia	266	200	213	3	0.2	1.7	2.0
Turkmenistan	27	26	28	0	..	0.4	..
Uganda	999	1 549	1 728	16	6.3	21.5	40.9
Uzbekistan	195	149	166	1	1.5	9.3	2.0
Zambia	755	1 426	1 045	10	47.1	60.4	16.7
Zimbabwe	186	279	465	..	0.7	0.9	0.4
Landlocked developing countries	**12 043**	**16 498**	**18 684**		**520.3**	**655.2**	**805.0**
Transit developing countries	**21 701**	**33 505**	**27 506**		**1 339.7**	**1 766.5**	**1 816.7**

Source: Organization for Economic Cooperation and Development, Development Assistance Committee, International Development Statistics online databases on aid and other resource flows-DAC annual aggregates and Creditor Reporting System, available at www.oecd.org/dataoecd/50/17/5037721.htm (accessed 1 May 2009).
Abbreviations: GNI, gross national income; ODA, official development assistance.

Table 3
Debt sustainability and debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI)

	Total external debt (percentage of GNI)		*Total debt service (as percentage of exports of goods and services and income)*[a]			*Total debt relief to February 2009 (millions of US dollars)*		*Heavily Indebted Poor Countries Initiative status as of February 2009*	
Landlocked developing countries	*2003*	*2007*	*2003*	*2006*	*2007*	*HIPC*	*MDRI*	*Decision point*	*Completion Point*
Afghanistan	..	..	..		..	571	..	X	
Armenia	64.2	30.5	10.8	6.8	7.1	..	..		
Azerbaijan	25.3	11.6	6.4	1.6	0.7	..	..		
Bhutan	78.8	68.6	..	..	..	..	..		
Bolivia	74.6	38.2	20.0	8.4	12.0	1 856	1 596		X
Botswana	6.8	3.5	1.3	0.9	0.9	..	..		
Burkina Faso	40.7	21.7	..	..	..	772	603		X
Burundi	230.1	154.6	63.6	39.9	43.6	908	53		X
Central African Republic	91.7	57.2	..	..	..	611	..	X	
Chad	67.1	29.2	..	..	..	227	..	X	
Ethiopia	85.6	13.6	7.0	6.8	4.1	2 575	1 458		X
Kazakhstan	78.3	103.7	34.8	33.7	49.6	..	..		
Kyrgyzstan	109.0	65.0	19.8	5.4	6.8	..	..		
Lao People's Democratic Republic	107.8	84.4	21.5	19.5	18.9	..	..		
Lesotho	54.3	33.7	8.0	3.9	7.0	..	..		
Malawi	129.9	24.6	..	..	..	1 310	705		X
Mali	74.1	30.6	5.8	4.4	..	752	1 043		X
Mongolia	82.9	41.5	29.3	2.1	..	..	..		
Nepal	50.1	35.0	6.1	5.1	4.5	899	519		X
Niger	76.3	23.0	7.5	26.6	..	..	1 596		
Paraguay	58.2	28.7	11.8	7.2	6.2	..	..		
Republic of Moldova	87.7	66.5	10.3	12.2	10.5	..	..		
Rwanda	88.1	14.9	13.7	9.7	3.2	908	..		X
Swaziland	21.0	13.3	1.3	1.6	1.9	..	225		
Tajikistan	78.6	34.0	7.2	2.6	2.3	..	..		
The former Yugoslav Republic of Macedonia	41.5	49.2	12.9	16.8	..	..	..		
Turkmenistan	29.6	5.9	..	..	..	..	..		
Uganda	70.1	14.0	7.2	4.8	3.1	1 434	..		X
Uzbekistan	49.2	17.3	..	..	..	..	1 805		
Zambia	160.7	27.9	42.3	3.8	3.5	3 489	..		X
Zimbabwe	62.2	..	..	..	..	..	1 632		
Landlocked developing countries	**66.4**	**48.2**	**20.7**	**18.7**	**26.6**	**16 312**	**9 639**		
Transit developing countries	**30.0**	**19.3**	**18.9**	**10.6**	**8.5**				

Sources: World Bank, *World Development Indicators 2009* (Washington, D.C., World Bank, 2009), table 6.10; and *WDI online* (Washington, D.C., 2009) (accessed 1 June 2009).

[a] Country series includes workers' remittances where available; total does not.

Table 4
International merchandise trade, exports and imports, 2003 and 2007

	Exports of merchandise (millions of US dollars)		*Percentage of world*		*Imports of merchandise (millions of US dollars)*		*Percentage of world*	
Landlocked developing countries	*2003*	*2007*	*2003*	*2007*	*2003*	*2007*	*2003*	*2007*
Afghanistan	..	..	..	..	..	..	..	..
Armenia	670	1 121	0.01	0.01	1 235	3 053	0.01	0.01
Azerbaijan	2 592	6 058	0.04	0.05	2 626	5 712	0.04	0.02
Bhutan	..	..	..	..	..	..	..	..
Bolivia	1 651	4 813	0.02	0.04	1 684	3 522	0.02	0.01
Botswana	3 802	5 073	0.05	0.04	3 964	3 987	0.05	0.03
Burkina Faso	324	397	0.00	0.00	1 008	1 267	0.00	0.01
Burundi	66	156	0.00	0.00	145	423	0.00	0.00
Central African Republic	66	116	0.00	0.00	100	186	0.00	0.00
Chad	..	..	..	..	..	..	..	..
Ethiopia	513	1 277	0.01	0.01	2 686	5 809	0.01	0.02
Kazakhstan	12 927	47 755	0.18	0.37	8 408	32 756	0.18	0.06
Kyrgyzstan	582	1 134	0.01	0.01	717	2 417	0.01	0.01
Lao People’s Democratic Republic	..	..	..	..	..	..	..	..
Lesotho	479	..	0.01		1 115		0.01	..
Malawi	502	869	0.01	0.01	785	1 378	0.01	0.01
Mali	1 007	1 440	0.01	0.01	1 271	2 185	0.01	0.01
Mongolia	616	1 887	0.01	0.01	801	2 117	0.01	0.01
Nepal	653	..	0.01	..	1 802		0.01	..
Niger	228	473	0.00	0.00	560	958	0.00	0.00
Paraguay	1 242	2 785	0.02	0.02	2 228	5 845	0.02	0.02
Republic of Moldova	..	..	..	..	..	..	..	..
Rwanda	50	183	0.00	0.00	261	697	0.00	0.00
Swaziland	1 732	1 082	0.02	0.01	1 432	1 164	0.02	0.01
Tajikistan	..	..	..	..	..	..	..	..
The former Yugoslav Republic of Macedonia	1 367	3 356	0.02	0.03	2 306	5 228	0.02	0.02
Turkmenistan	..	..	..	..	..	..	..	..
Uganda	532	1 337	0.01	0.01	1 375	3 493	0.01	0.01
Uzbekistan	..	..	..	..	..	..	..	..
Zambia	1 576	..	0.02	..	2 152	980	0.02	0.02
Zimbabwe	..	3 310	0.03	..	..	3 594	..	0.03
Landlocked developing countries	**33 177**	**84 622**	**0.47**	**0.65**	**38 661**	**86 771**	**0.5**	**0.66**
Transit developing countries	**935 920**	**2 168 813**	**13.3**	**16.7**	**886 147**	**1 984 657**	**12.3**	**15.0**
World	**7 018 511**	**13 005 441**			**7 178 426**	**13 204 710**		

Source: United Nations Statistics Division, UN Comtrade, available at http://comtrade.un.org (accessed 1 May and 22 June 2009).

Table 5
Selected transport indicators, 2000-2007

	Roads		*Railways*	*Waterways*	*Pipelines*	*Air transport*	
	Kilometres	*Paved (percentage)*	*Kilometres*	*Kilometres*	*Kilometres*	*Departures*	
Landlocked developing countries	*2000-2007*[a]	*2000-2007*[a]	*2000-2007*[a]	*2006-2007*[a]	*2007*	*2000*	*2007*
Afghanistan	42 150	29.3	—	1 200 (<500 DWT)[b]	466	3 400	..
Armenia	7 504	89.0	711	..	2 233	4 400	..
Azerbaijan	59 141	49.4	2 122	..	4 785	8 000	13 000
Bhutan	8 050	62.0	..	..	..	1 100	..
Bolivia	62 479	7.0	..	10 000	8 994	21 600	24 100
Botswana	25 798	32.6	888	..	..	6 700	7 400
Burkina Faso	92 495	4.2	622	..	..	3 400	1 600
Burundi	12 322	10.4	..	Lake Tanganyika	..	..	..
Central African Republic	24 307	..	..	2 800	..	1 500	..
Chad	40 000	0.8	..	Seasonal	250	1 500	..
Ethiopia	42 429	12.8	..	..	..	26 600	37 500
Kazakhstan	91 563	91.4	14 205	4 000	24 740	8 000	19 100
Kyrgyzstan	18 500	91.1	424	600	270	6 100	4 900
Lao People’s Democratic Republic	29 811	13.5	..	4600	540	6 400	10 000
Lesotho	5 940	18.3	..	..	..	..	..
Malawi	15 451	45.0	710	700	..	4 800	5 900
Mali	18 709	18.0	734	1 800	..	1 500	..
Mongolia	49 250	3.5	1 810	424	..	6 200	6 200
Nepal	17 280	56.9	59	..	..	12 100	6 900
Niger	18 550	20.6	..	300 (seasonal)	..	1 500	..
Paraguay	29 500	50.8	36[c]	3 100	..	7 600	10 400
Republic of Moldova	12 838	86.3	1 075	580 (seasonal)	1 906	3 700	4 000
Rwanda	14 008	19.0	..	Lac Kivu (shallow)	..	..	..
Swaziland	3 594	30.0	301	..	..	2 600	..
Tajikistan	27 767	..	482	200	587	4 000	7 900
The former Yugoslav Republic of Macedonia	13 182	..	947	..	388	8 000	..
Turkmenistan	24 000	81.2	2 440	1 300	7 864	21 900	15 600
Uganda	70 746	23.0	261	Lakes	..	300	..
Uzbekistan	81 600	87.3	4 014	1 100	10 574	30 100	22 300
Zambia	91 440	22.0	1 273	2 250	771	6 100	6 400

Landlocked developing countries	Roads		Railways	Waterways	Pipelines	Air transport	
	Kilometres	Paved (percentage)	Kilometres	Kilometres	Kilometres	Departures	
	2000-2007[a]	2000-2007[a]	2000-2007[a]	2006-2007[a]	2007	2000	2007
Zimbabwe	97 267	19.0	..	Lake Kariba	270	13 600	7 300
Landlocked developing countries	**1 147 671**	**38.4**	**33 078**		**63 002**	**222 700**	**210 500**

Sources: World Bank, *World Development Indicators 2009* (Washington, D.C., World Bank, 2009), table 5.9; World Bank, *WDI and GDF Online*, available at http://www.worldbank.org; and United States Central Intelligence Agency, *The World Factbook* (Washington, D.C.), Field Listings: Waterways, Pipelines and Railways, available at https://www.cia.gov/library/publications/the-world-factbook/index.html (accessed 1 May 2009).

[a] Data are for the latest year available in the period shown.

[b] Deadweight tonnage.

[c] Tourist service.

Table 6
Selected telecommunications indicators, 2000, 2006 and 2007

	Telephone lines and cellular subscribers per 100 population				*Internet users per 100 population*	*Total annual investment in telecom (millions of US dollars)*
	Main lines		*Cellular*			
Landlocked developing countries	*2000*	*2007*	*2000*	*2007*	*2006*	*2006*[a]
Afghanistan	0.1	0.3	0.1	17.2	1.8	..
Armenia	17.8	19.7	2.3	62.5	5.7	..
Azerbaijan	11.2	14.8	9.6	53.4	10.9	195
Bhutan	1.0	3.4	—	17.2	4.6	..
Bolivia	6.8	7.1	11.8	34.2	10.5	..
Botswana	8.4	7.3	18.8	61.2	5.3	369
Burkina Faso	0.5	0.7	0.9	10.9	0.6	..
Burundi	0.3	0.4	0.8	3.2	0.8	..
Central African Republic	0.2	0.3	0.3	3.0	0.3	..
Chad	0.1	0.1	0.4	8.5	0.6	..
Ethiopia	0.5	1.1	0.1	1.4	0.3	..
Kazakhstan	14.0	21	7.0	79.9	12.3	677
Kyrgyzstan	7.8	9.1	1.0	40.8	14.1	..
Lao People's Democratic Republic	1.1	1.6	1.0	25.2	—	..
Lesotho	1.6	3	7.7	22.7	3.5	..
Malawi	0.6	1.3	0.8	7.5	1.0	
Mali	0.5	0.6	0.4	20.5	0.8	122
Mongolia	5.0	6.8	8.5	34.4	12.0	..
Nepal	1.3	2.5	0.1	11.6	1.4	..
Niger	0.3	0.2	0.5	6.3	0.3	..
Paraguay	4.8	6.4	29.0	76.6	8.6	..
Republic of Moldova	16.9	28.5	8.0	49.6	18.5	158
Rwanda	0.3	0.2	1.0	6.5	1.1	16
Swaziland	3.4	4.3	6.6	33.3	4.0	..
Tajikistan	3.8	5.0	0.2	34.9	7.2	..
The former Yugoslav Republic of Macedonia	27.7	22.7	18.1	95.5	27.3	221
Turkmenistan	8.1	9.2	0.2	7	1.4	..
Uganda	0.2	0.5	1.5	13.6	2.5	..
Uzbekistan	6.6	0.6	0.7	21.5	4.4	..

Landlocked developing countries	Telephone lines and cellular subscribers per 100 population: Main lines 2000	Main lines 2007	Cellular 2000	Cellular 2007	Internet users per 100 population 2006	Total annual investment in telecom (millions of US dollars) 2006[a]
Zambia	0.7	0.8	1.2	22.1	5.0	..
Zimbabwe	2.2	2.6	2.7	9.2	10.1	..
Landlocked developing countries	**2.7**	**3.6**	**1.1**	**18.2**	**3.5**	
Developing countries	**8.0**	**13.3**	**5.2**	**38.6**	**12.7**	

Source: International Telecommunication Union (ITU), ICT Eye and World Telecommunications/ICT Indicators Database 2008, available at http://www.itu.int/ITU-D/ict/ (accessed 1 May 2009), and updated aggregates provided by the ITU STAT Unit on 2 June 2009.

[a] Or latest year available.

Table 7
Foreign direct investment, net flows, 2000, 2003, 2005, 2006 and 2007
(Millions of current United States dollars)

	FDI net flows				
Landlocked developing countries	*2000*	*2003*	*2005*	*2006*	*2007*
Afghanistan	0	58	273	242	288
Armenia	104	121	239	453	661
Azerbaijan	30	3 227	1 679	-601	-4 817
Bhutan	0	3	9	6	78
Bolivia	736	197	-288	281	204
Botswana	57	420	281	489	495
Burkina Faso	23	29	34	34	600
Burundi	12	0	1	0	0
Central African Republic	1	13	17	18	27
Chad	115	713	613	700	603
Ethiopia	135	465	265	545	254
Kazakhstan	1 283	2 092	1 971	6 224	10 259
Kyrgyzstan	-2	46	43	182	208
Lao People’s Democratic Republic	34	19	28	187	324
Lesotho	32	42	57	92	106
Malawi	40	66	27	30	55
Mali	82	132	224	83	360
Mongolia	54	132	182	290	328
Nepal	0	15	2	-7	6
Niger	8	11	30	51	27
Paraguay	104	27	54	170	190
Republic of Moldova	128	74	197	242	459
Rwanda	8	3	14	16	67
Swaziland	106	-61	-50	36	37
Tajikistan	24	14	54	339	401
The former Yugoslav Republic of Macedonia	215	118	97	424	320
Turkmenistan	131	226	418	731	804
Uganda	181	202	380	400	368
Uzbekistan	75	70	88	195	262

Landlocked developing countries	FDI net flows				
	2000	2003	2005	2006	2007
Zambia	122	347	357	616	984
Zimbabwe	23	4	103	40	69
Landlocked developing countries	**3 858**	**8 823**	**7 401**	**12 506**	**14 026**
Transit developing countries	**5 858**	**10 826**	**9 406**	**14 512**	**16 033**
Developing countries	**256 624**	**180 114**	**316 407**	**412 972**	**499 720**

Source: United Nations Conference on Trade and Development, Foreign Direct Investment Online, Foreign Direct Investment database, available at www.unctad.org/Templates/Page.asp?intItemID=1923 (accessed 1 May 2009).
Note: Components may not add to totals owing to rounding.