
Substantive Issues arising from the Asia-Pacific Regional Expert Group Meeting on the Mid-term Review of the Vienna Programme of Action

Andrzej Bolesta
Economic Affairs Officer
Macroeconomic Policy and Financing for Development Division
United Nations Economic and Social Commission for Asia and the Pacific

Sub-regional Workshop
**“Fostering Structural Transformation and Export Diversification
in Selected Asian Landlocked Developing Countries”**
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Vienna Programme of Action (I)

- The Vienna Programme of Action is the principal programme of the United Nations that addresses issues related to development of developing states that lack direct access to the sea, which impedes their ability for international economic interaction, consequently making development a more strenuous process.
- Its overarching goal “is to address the special development needs and challenges of landlocked developing countries arising from landlockedness, remoteness and geographical constraints in a more coherent manner and thus contribute to an enhanced rate of sustainable and inclusive growth, which can contribute to the eradication of poverty by moving towards the goal of ending extreme poverty”.
- Taking into the consideration the particular predicaments of landlocked developing countries, of which there are 12 in Asia and the Pacific, the Vienna Programme of Action identifies several priorities of action: fundamental transit policy issues (priority 1), infrastructure development and maintenance (priority 2), which includes transport infrastructure (priority 2a) and energy and communications technology infrastructure (priority 2b), international trade (priority 3a) and trade facilitation (priority 3b), regional integration and cooperation (priority 4) and structural economic transformation (priority 5). The final priority (number 6) refers to means of implementation.

Vienna Programme of Action (II)

1 NO POVERTY



- Priority 1: Transit Policy Issues
- Priority 2: Infrastructure Development & Maintenance
- Priority 3: International trade and trade facilitation
- Priority 4: Regional Integration and Cooperation
- Priority 5: Structural Economic Transformation

2 ZERO HUNGER



- Priority 3: International Trade
- Priority 4: Regional Integration and Cooperation
- Priority 5: Structural Economic Transformation

3 GOOD HEALTH AND WELL-BEING



- Priority 2: Infrastructure Development & Maintenance
- Priority 3: International trade and trade facilitation
- Priority 4: Regional Integration and Cooperation
- Priority 5: Structural Economic Transformation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Priority 1: Transit Policy Issues
- Priority 2: Infrastructure Development & Maintenance
- Priority 3: International trade and trade facilitation

10 REDUCED INEQUALITIES



- Priority 5: Structural economic transformation

11 SUSTAINABLE CITIES AND COMMUNITIES



- Priority 2: Infrastructure Development & Maintenance

4 QUALITY EDUCATION



- Priority 2: Infrastructure Development & Maintenance

7 AFFORDABLE AND CLEAN ENERGY



- Priority 2: Infrastructure Development & Maintenance
- Priority 5: Structural Economic Transformation

8 GOOD JOBS AND ECONOMIC GROWTH



- Priority 2: Infrastructure Development & Maintenance
- Priority 3: International Trade
- Priority 5: Structural Economic Transformation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Priority 2: Infrastructure development and maintenance
- Priority 3: International trade and trade facilitation
- Priority 5: Structural economic transformation

15 LIFE ON LAND



- Priority 5: Structural economic transformation

17 PARTNERSHIPS FOR THE GOALS



- Priority 1: Fundamental transit policy issues
- Priority 3: International trade and trade facilitation
- Priority 4: Regional integration and cooperation
- Priority 5: Structural economic transformation

Expert Group Meeting on Midterm Review

- Through the adoption of Resolution A/RES/72/232, “Follow-up to the second United Nations Conference on Landlocked Developing Countries”, the General Assembly has decided to convene a comprehensive high-level midterm review of the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 to review progress made in its implementation.
- The 2 day Expert Group Meeting took place in Almaty, Kazakhstan On 18th and 19th September
- It was co-organised by UNESCAP, UNCTAD and UNECE, with a participation of UNHRLLS, ITLLDC and the Chair of the Group of LLDCs (Paraguay);
- It was attended by representatives of 11 Asia-Pacific LLDCs, 1 European LLDC and 1 transit country.



Conclusions – Priority 1

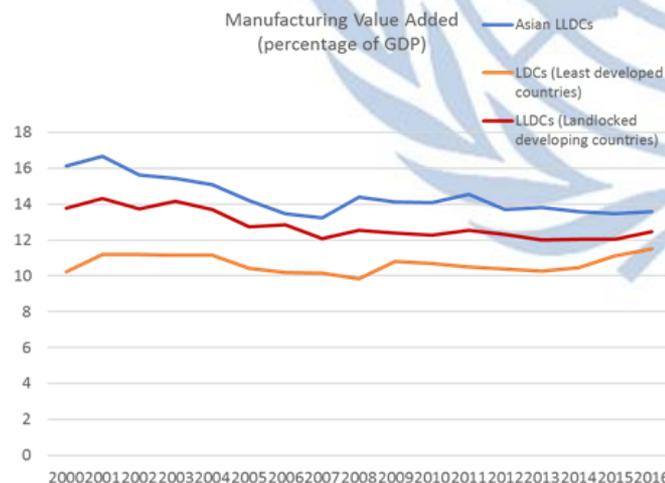
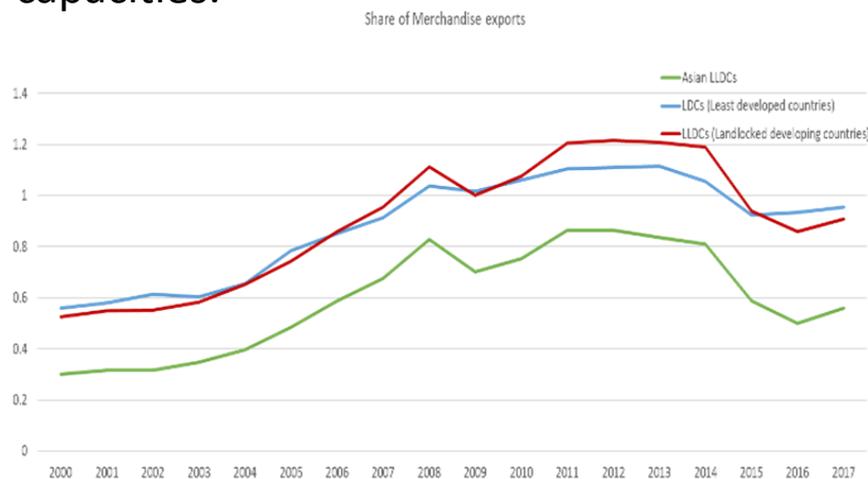
- An important progress in the ratification of international agreements on transit related issues, both by landlocked and transit countries has been made;
- There is still room for improvement, as presently 5 out of 12 landlocked and 7 transit countries participate in less than half of 20 international conventions/agreements of relevance to transit;
- In several cases it has not been possible to fully utilise the benefits from participation in conventions because landlocked countries and their relevant transit countries have not been party to the same agreements;
- Despite this progress, the exact targets of the VPoA Priority 1 (i.e. reducing the travel time along corridors and the time spent at land borders and significantly improving intermodal connectivity), are still not met in all the main transport corridors in the region;
- In some cases, such as the land border clearance time in some road corridors, the situation has even deteriorated;
- For intermodal connectivity, an important step forward was made with the entry into force of the Asian Dry Port.

Conclusions – Priority 2

- As far as transport infrastructure is concerned, there remain major missing links in the Asian Highway and the Trans-Asian railway networks, and the infrastructure quality in the Asia-Pacific landlocked developing countries continues to be perceived by their trading partners as one of the weakest links leading to a suboptimal logistics performance;
- In the area of ICT, Asia-Pacific countries have recognised that regional integration and cooperation could improve access to affordable and resilient broadband connectivity. As a result, they have endorsed the Asia-Pacific Information Superhighway (AP-IS) initiative – a regional intergovernmental platform that facilitates dialogue between government officials, regulators, telecom operators, donors, research think tanks, non-governmental organisations to discuss actions on connecting missing fibre-optic cable links between countries.

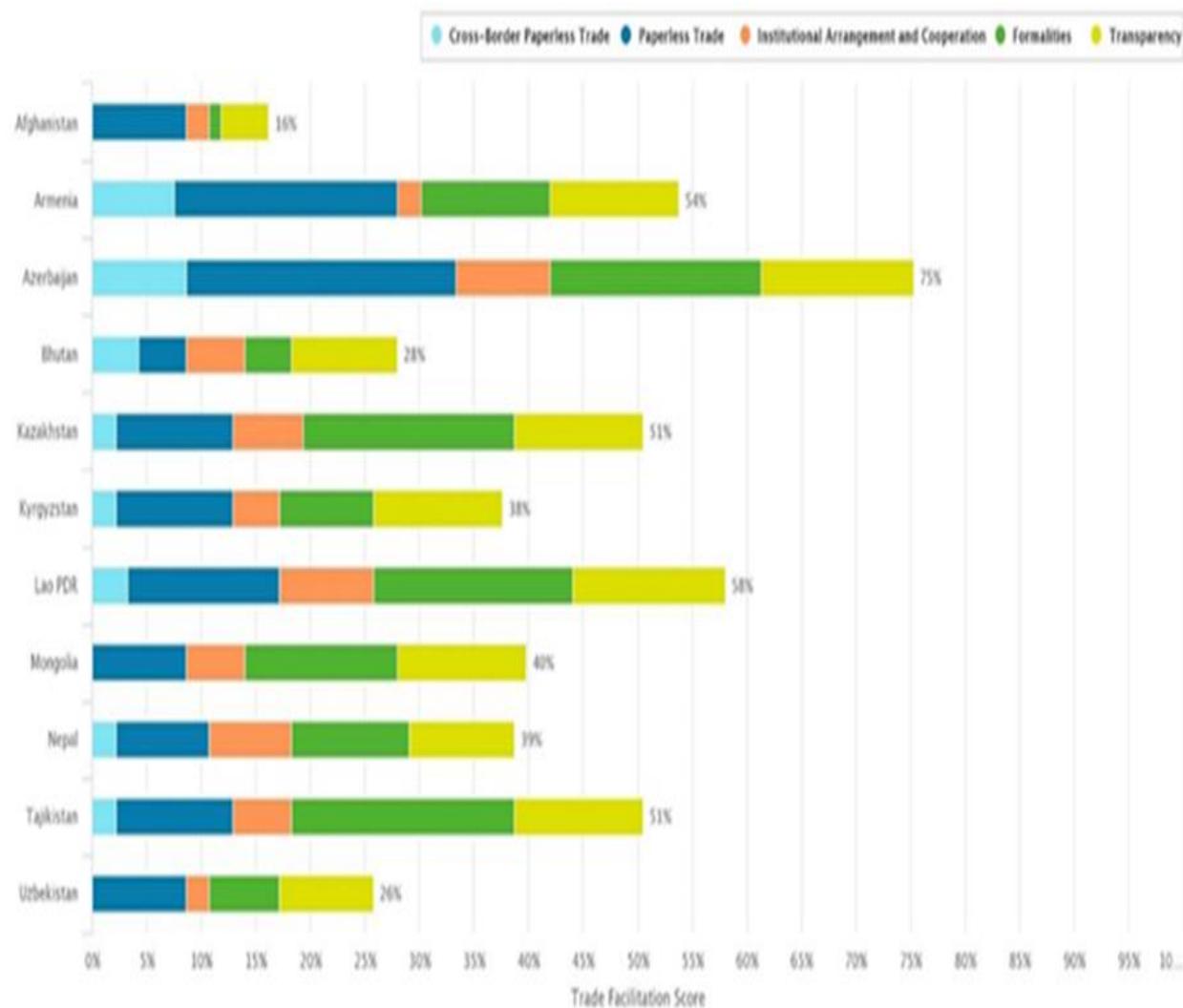
Conclusions – Priority 3

- Progress in Priority 3 has fallen short of expectations;
- The share of LLDCs in global merchandise exports has decreased, while exports remained highly concentrated in a few commodities;
- Similarly, the share of manufacturing value added has remained broadly constant since 2000;
- Asia-Pacific LLDCs continue to face challenges related to overdependence on commodity exports, high trade and transit costs, as well as institutional and technological challenges undermining their participation in the global economy;
- Future efforts should focus on export diversification;
- What is needed is adopting targeted incentives for private sector firms to achieve set goals in terms of exports. Quality policies need to be matched by implementation capacities.



Conclusions – Priority 3 – Trade Facilitation

- Asia-Pacific LLDCs became new WTO member countries: Kazakhstan in 2015 and Afghanistan in 2016. Three non-member countries that presently have a WTO observer status are in different stages of negotiation towards accession;
- Region’s implementation of trade facilitation and paperless trade measures vary widely across LLDCs. The implementation of the trade facilitation measures specified in the WTO TFA is relatively high, at 50–70 per cent.



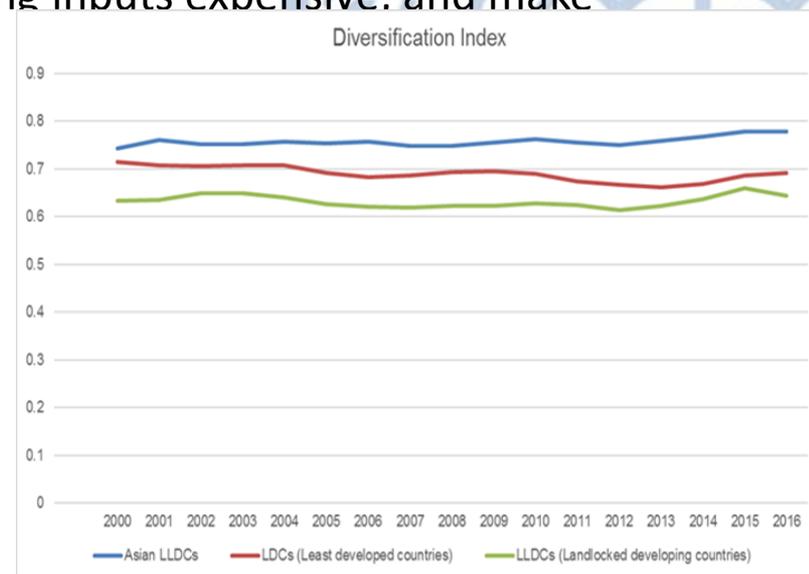
Source: UN Global Survey on Trade Facilitation and Paperless Trade Implementation 2017

Conclusions – Priority 4

- The process of regional integration and cooperation has had mixed results;
- It has had two distinctive features; (a) sub-regional economic integration and cooperation, and (b) international organizations' efforts at supporting harmonization of policies and cooperation among the states of the region;
- (a1) ASEAN Economic Community (AEC) – only 1 Asia-Pacific LLDCs;
- (a2) Eurasian Economic Union – Armenia, Kazakhstan, Kyrgyzstan;
- (b1) The United Nations Special Programme for the Economies of Central Asia (SPECA) The 2018 SPECA Economic Forum, held in Almaty, 20 and 21 September considered how developments in transport, trade, water, energy, the environment, statistics, ICT and innovation, and gender could transform geographical constraints into advantages, while other integration initiatives could facilitate the economic development of SPECA countries;
- (b2) The Intergovernmental Agreement on Dry Ports entered into force in April 2016. Presently it has thirteen Parties from the Asia-Pacific region, including five landlocked countries (Afghanistan, Kazakhstan, Mongolia, Tajikistan and Turkmenistan) and six transit countries (Bangladesh, China, India, Islamic Republic of Iran, Russian Federation and Viet Nam);
- Belt and Road Initiative: Most of the Asia-Pacific LLDCs are situated along one or more of the six BRI corridors; Lao PDR along the China-Indochina Peninsula Corridor; Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan along the China-Central Asia-West Asia Corridor, Kazakhstan also along the New Eurasian Land Bridge, Mongolia along the China-Mongolia-Russian Federation corridor.

Conclusions – Priority 5

- Structural transformation is lagging behind;
- In order to foster greater structural transformation, Asia-Pacific LLDCs should identify higher-productivity sectors and build productive capacities;
- In this context, UNCTAD's new Productive Capacities Index can serve as a tool for measuring productive capacities over time and across countries, so as to facilitate evidence-based policy-making;
- Asia-Pacific LLDCs have faced particular challenges in achieving structural transformation, as high trade costs render imports of manufacturing inputs expensive, and make manufacturing exports uncompetitive;
- There has been a limited progress achieved by LLDCs; overall the share of the manufacturing sector in LLDCs have had remained constant at around 13-14% of GDP since the year 2000, and there has not been any improvement in the diversification index of LLDCs;
- In Asia-Pacific LLDCs the levels of export concentration have been higher than in LLDCs as a whole, and have remained virtually constant since 2000. Similarly, while the average share of manufacturing value added in total GDP tends to be larger in Asia-Pacific LLDCs than in LLDCs overall (about 13.5% in 2016), it has been on a declining trend since 2000, when it stood at 16%.



Conclusions – Priority 6

The following recommendations for means of implementations have been proposed:

- LLDCs should employ various sources of finance to implement the VPoA and SDGs, including domestic resource mobilisation, ODA, FDI, remittances, private finance, South-South Cooperation, and innovative sources of finance;
- Domestic resource mobilisation should focus on increasing available resources, as well as on improving tax systems and on more effectively applying domestic resources for development;
- Development partners should be encouraged to fulfil their ODA commitments and to increase ODA to LLDCs, including Aid for Trade;
- LLDCs should adopt enabling domestic policies and measures to attract more FDI, including more diversified FDI, as well as to support domestic private activity;
- At the same time, LLDCs should gradually move away from their reliance on ODA and shift their policies towards attracting more FDI;
- International organisations should continue to provide and enhance technical and capacity-building assistance to LLDCs.

Additional Conclusions

- LDC graduation process is important in the context of some LLDCs development, as they belong to the LDC category;
- Security issues and political stability are also important for development capacities;
- Research on development predicaments of and sound policy recommendations for LLDCs is important – utilise ITLLDC!
- Continue using the knowledge products of UNCTAD and UNESCAP, as UN structures well versed in development challenges of Asia-Pacific LLDCs and indeed in the VPoA;
- Finally, we are producing a final report from the EGM in Almaty, Kazakhstan. Soon the document will be distributed.

Thank you!