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**CROSS-CUTTING ISSUE FOR MANAGING GLOBALIZATION RELATED TO TRADE
AND TRANSPORT: REGIONAL PREPARATIONS FOR THE MIDTERM REVIEW 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***

(Item 4 of the provisional agenda)

Note by the secretariat

SUMMARY

The Almaty Programme of Action (APA), adopted in 2003 at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, identified five priority areas to be addressed. In its resolution 61/212 of 20 December 2006, the General Assembly decided to hold a midterm review meeting of the Almaty Programme of Action in 2008, that the review should be preceded, where necessary, by national, subregional, regional and substantive preparations and that intergovernmental mechanisms at the global and regional levels, including those of United Nations regional commissions, as well as relevant substantive material and statistical data, should be effectively utilized in the review process.

The present document identifies the global and regional mandates relating to the implementation and midterm review of the APA. It summarizes the ongoing and planned initiatives of the Trade and Investment Division and Transport and Tourism Division, respectively, to assist landlocked and transit developing countries to implement the APA in the three substantive priority areas. It also suggests a draft framework based on which landlocked and transit developing countries may wish to report on the progress at the country level.

The Committee is invited to provide guidance to the secretariat on the preparations for the regional midterm review of the APA and future priority initiatives to be undertaken within the APA.

* Issued without editing owing to late submission.

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Introduction

1. The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation was convened in August 2003 Pursuant to General Assembly resolution 56/180 of 24 January 2002.
2. The Conference was the first high-level global event of the United Nations devoted to addressing the special needs and problems of landlocked developing countries in order to integrate them effectively into the world economy by establishing efficient transit transport systems in both landlocked and transit developing countries. The Conference unanimously adopted 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 (APA).
3. The Programme of Action aims to: (a) secure access to and from the sea by all means of transport according to applicable rules of international law; (b) reduce costs and improve services so as to increase the competitiveness of their exports; (c) reduce the delivered costs of imports; (d) address problems of delays and uncertainties in trade routes; (e) develop adequate national networks; (f) reduce loss, damage and deterioration en route; (g) open the way for export expansion; (h) improve safety of road transport and security of people along the corridors.¹
4. To achieve the above objectives, the APA stipulates specific measures to establish efficient transit transport systems, recognizing the inextricable link between transport and international trade as well as economic growth. The APA is focused on action-oriented specific activities to be undertaken by both landlocked and transit

¹ APA objectives; paragraph 10.

developing countries with the support of their development partners. The specific actions which were deemed to be feasible and measurable were to be implemented in five priority areas, namely, (i) fundamental transit policy, (ii) infrastructure development and maintenance, (iii) international trade and trade facilitation, (iv) international support measures and (v) implementation and review.

5. The APA states that the implementation of the present Programme of Action requires individual and concerted efforts by the landlocked and transit developing countries, their development partners, the organizations and bodies of the United Nations system, relevant international organizations and other regional economic integration organizations, and other relevant regional and subregional organizations.

6. This document sets out the global and regional mandates supporting the implementation of the APA, and preparations for the midterm review of including the initiatives undertaken by the secretariat in the areas of trade and transport.

I. GLOBAL AND REGIONAL MANDATES RELATING TO THE IMPLEMENTATION OF THE APA

7. General Assembly resolution 58/201 of 4 February 2004 endorsed the APA and called for its full and effective implementation. Resolution 59/245 of 3 March 2005 recalled the APA and invites the organizations of the United Nations, including the regional commissions to integrate the APA into their relevant programmes of work, and encourages them to continue supporting the landlocked and transit developing countries, inter alia, through well-coordinated and coherent technical assistance programmes in transit transport. Resolution 60/208 took note of the report of the Secretary General on the implementation of the APA.

8. The General Assembly resolution 61/212 of 20 December 2006 also recognized that most transit countries are themselves developing countries often of broadly similar economic structure and beset by similar scarcity of resources,

including lack of adequate transit transport infrastructure. It emphasized that assistance for the improvement of transit transport facilities should be integrated into the overall economic development strategies of the landlocked and transit developing countries and that donor countries should consequently take into account the requirements for the long-term restructuring of the economies of the landlocked developing countries.

9. In adopting the 2005 World Summit Outcome,² the General Assembly recognized the special needs of and challenges faced by landlocked developing countries and reaffirmed therefore the commitment to urgently address those needs and challenges through the full and effective implementation of the APA. The General Assembly also recognized the special difficulties and concerns of landlocked developing countries in their efforts to integrate their economies into the multilateral trading system.

10. At its sixty-first session in May 2005 the Commission adopted resolution 61/11 on 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. The resolution requested the Executive Secretary to undertake the necessary measures to further expand its programme, as appropriate, to support the landlocked and transit developing countries in their efforts to improve their transit transport systems, and invited development partners to provide appropriate financial support in that regard, as called for in paragraph 47 of the Almaty Programme of Action.

II. GLOBAL AND REGIONAL MANDATES FOR THE MIDTERM REVIEW OF THE APA

11. General Assembly resolution 61/212 of 20 December 2006 decided to hold a

² General Assembly A/RES/60/1 page 18 (Countries with special needs).

midterm review of the APA in 2008 and that the review should be preceded where necessary by national, subregional, regional and substantive preparation in a most effective, well structured and broad participatory manner, and should be organized within existing resources of intergovernmental mechanisms at the global and regional levels, including those of United Nations regional commissions. Relevant substantive material and statistical data should be effectively utilized in the review process. The preparatory process is to be coordinated by the OHRLLS and the United Nations system organizations including the regional commissions; and relevant international and regional organizations within their respective mandates should provide necessary support for the review process.

12. At its sixty-third session in May 2007 the Commission adopted resolution 63/5 on the Midterm Review of the 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. The resolution requests the Executive Secretary to further strengthen the support that the secretariat provides to landlocked and transit developing countries in their efforts to develop bilateral, subregional and regional cooperative arrangements for integrating into the global and regional economies through, inter alia, improved market access and establishing efficient transit transport systems, as called for in the APA. The resolution further requests the Executive Secretary to continue the work of developing effective indicators for measuring progress in the implementation of the APA and to implement pilot projects, subject to availability of resources, in order to apply the methodology in selected landlocked subregions of Asia and the Pacific in view of the midterm review. It also requests the Executive Secretary to provide, within this mandate, necessary support in the preparatory process, for the midterm

review including the thematic meetings on transit transport infrastructure development and international trade and trade facilitation.

13. The preparatory process for the midterm review has already begun, and the Global Thematic meeting on Transit Transport Infrastructure Development was organized by the OHRLLS and hosted by the Government of Burkino Faso in Ouagadougou from 18 to 20 June 2007. The meeting deliberated in five key areas of transit transport infrastructure namely: assessment of current situation, mobilization of financial resources for transit transport development, subregional and regional cooperation for transit transport infrastructure development, enabling environment for the transit transport infrastructure development, and role of international financial and development institutions and international organizations. The meeting was attended by 33 landlocked and transit developing countries, nine of which were from Asia. The secretariat presented key information on transport infrastructure development in Asia. The global thematic meeting on international trade and trade facilitation will be held in Mongolia from 28-31 August 2007 during which the Secretariat will make presentations on facilitating the integration of LLDCs into the global and regional economies, through improved market access, accession to WTO and strengthened regional cooperation in the implementation of trade facilitation measures.

14. The Regional preparatory meeting for Asia is scheduled to take place during the 64th Commission in 2008.

III. REGIONAL AND SUBREGIONAL INITIATIVES IN IMPLEMENTING THE APA

15. The following sections summarize the ongoing and planned initiatives of the Trade and Investment Division and Transport and Tourism Division, respectively, to assist landlocked and transit developing countries to implement the APA in the three substantive priority areas: Fundamental transit policy issues (priority 1); Infrastructure

development and maintenance (priority 2) and International trade and trade facilitation (priority 3).

Priority 1: Fundamental transit policy issues

Integrated approach to trade and transport sector development³

16. In keeping with the APA under priority 1, the secretariat has promoted an integrated approach to trade and transport with landlocked and transit developing countries. A joint project implemented by the TID, TTD and the ICSTD on “Capacity building amongst landlocked and transit developing countries” produced tangible outputs including a) a study on trade and transport facilitation mechanisms, b) a study on application of ICT in trade facilitation, c) the application of the trade facilitation framework which helps to assess the level of trade facilitation in a country, d) application of the ESCAP Time/Cost-Distance Methodology on selected routes, and e) a web site on trade and transport facilitation. The study results were shared with landlocked and transit countries through two regional seminars and national action plans developed through several workshops held in Lao People’s Democratic Republic, Kazakhstan, Kyrgyzstan, Tajikistan and Mongolia. Trade and transport facilitation mechanisms have since been established in Mongolia and Kyrgyzstan.

17. In 2006, the experience of more than 110 governments officers and representatives from the private sector in landlocked and transit developing countries participating in the development account project between all regional commissions on “Capacity building in developing interregional land and land-cum-sea transport linkages” were expanded through their active participation in three national workshops (Azerbaijan, Georgia, Kyrgyzstan) on facilitating international transport along the Euro – Asian transport routes and linkages.

³ APA section 14 (a)

18. The establishment/strengthening of national trade and transport facilitation mechanisms was supported within the framework of these national workshops, during which participating experts, from the public and private sectors, trade and transport, identified the most appropriate structures for the establishment/strengthening of national facilitation bodies and considered the basic elements for the elaboration of an action plan at national level. Through this and earlier work a trade and transport facilitation mechanism have been established in Mongolia and Kyrgyzstan with plans being discussed for similar development in other countries. Two further workshops will be held later this year in Pakistan and Iran which provide transit routes to several landlocked countries in Central Asia,

International conventions on transport and transit⁴

19. The APA notes that International conventions on transport and transit, as well as regional and bilateral agreements, ratified by landlocked and transit developing countries are main vehicles by which harmonization, simplification and standardization of routes and documentation can be achieved.

20. In this regards, the secretariat has undertaken a preliminary study on bilateral and subregional agreements as well as international conventions on transport facilitation. The secretariat organized an Expert Group Meeting on Evaluation of Study on Legal Regimes for Transport Facilitation in October 2006 with participation from several landlocked and transit countries to consider the current status of ratification and effective implementation of international legal instruments including the seven conventions in resolution 48/11- “Road and rail transport modes in relation to facilitation measures” of 1992. In this regard, the Regional Action Programme for Transport Development in Asia and the Pacific 2007-2011 (RAP) proposes a study on

⁴ APA Priority 1 section 12

the implementation of Commission resolution 48/11 and the possible inclusion of additional conventions. The study is now under preparation and will be available by the end of 2007.

21. The secretariat in cooperation with the Shanghai Cooperation Organization (SCO) and Asian Development Bank (ADB) is providing technical and financial support to the negotiation of an agreement among the SCO member states on facilitation of international road transport based on a secretariat study on the potentials of this agreement. The Prime ministers of the SCO member states have called upon concerned parties to accelerate the formulation of the agreement and a MOU has been signed by the SCO member states to accelerate negotiations. The 6th negotiating meeting was hosted by Kyrgyzstan from 17 to 20 July 2007.

22. The secretariat in cooperation with ADB undertook a study on transit charges in 2004 to support the negotiation of a protocol to the Agreement on Facilitation of Cross-border Movement of people and Goods in the Greater Mekong Subregion. With successful negotiation of the protocol, the secretariat together with ADB is currently assisting Cambodia and Lao PDR in applying the protocol to the establishment of their transit charging (infrastructure usage) systems.

Eliminating non-physical barriers to transit transport⁵

23. The secretariat has continued to refine and apply the Time/Cost-Distance Methodology developed during the preparatory process leading up to the Ministerial Conference on Landlocked and Transit Developing Countries in 2003 to assess the efficiency of transport. It is a methodology to identify, isolate and address bottlenecks that hamper the smooth movement of goods along specific routes. Since first introduced at the Ministerial Conference in 2003, the model has received wide

⁵ APA priority 1 section 14 (b).

acceptance amongst landlocked and transit countries as well as international organizations.

24. The Time/Cost-Distance Methodology, with its simple and effective ability to take snapshots over a period of time has been recognized as a useful tool to measure the progress of the implementation of the APA. The 2005 World Summit Outcome document adopted by the General Assembly encouraged the work done by the United Nations regional commissions and organizations toward establishing a time/cost methodology for indicators to measure the progress in implementation of the APA. The joint communiqué adopted at the High-level Meeting on the role of international regional and sub-regional organizations for the implementation of APA stressed the importance of establishing common indicators to monitor the progress in establishing efficient transit transport systems in landlocked and transit developing countries. It stated that in this regards, on-going initiatives within various regional and subregional organizations as well as those of the United Nations regional commissions, including Time/Cost-Distance Methodology developed by UNESCAP, should be further developed and harmonized in order to design broadly acceptable indicators to measure progress made in establishing efficient transit transport systems and to monitor the implementation of the Almaty Programme of Action.⁶

25. The model has been applied in several transport routes in Central Asia, North-East Asia and South Asia through initiatives of UNESCAP since the preliminary application during the preparatory process leading to the APA in 2003.⁷

26. In preparation for the Midterm Review of the APA the secretariat has revised

⁶ Paragraph 6, joint communiqué adopted at the High-level meeting on the Role of International, Regional and Subregional Organizations for the Implementation of the Almaty Program of Action, Almaty, Kazakhstan, 31 March 2005.

⁷ Explanation of model application and selected results can be accessed through the ESCAP/TTD website: (http://www.unescap.org/ttdw/common/TFS/ImprovingTx/CostTime_more.asp).

the UNESCAP “Time/Cost-Distance Methodology” both in terms of content and layout to increase ease of use and to enhance the analytical benefits of the tool. A result of the revision is the development of a “Time/Cost-Distance Methodology” Tool Kit, which contains necessary templates, detailed instructions on how to fill them in, and the UNESCAP publication “Transit Transport Issues in Landlocked and Transit Developing Countries” as well as the questionnaire on “Non-physical obstacles to freight traffic at border crossings”.⁸ The Tool Kit contains a CD Rom with the relevant files enabling countries the immediate use of the “Time/Cost-Distance Methodology”.

27. In addition to the results of application from 2004-2006, the secretariat anticipates being in a position to collate the results of route analysis with the Time/Cost-Distance Methodology in the countries participating in the Development Account project “Capacity-building in developing interregional land and land-cum-sea transport linkages” as a part of the midterm review of the APA. 18 routes have been identified for analysis by the national focal points with the support of other public and private sector representatives. The secretariat is also in the process of assisting the freight forwarders and logistics service providers who participated in the ESCAP Regional Forum of Freight Forwarders, Multimodal Transport Operators and Logistics Service Providers in June 2007 at Bangkok to apply the methodology on selected routes.⁹

⁸ This questionnaire is currently distributed only to countries participating in the Development Account Project “Capacity-building in developing interregional land and land-cum-sea transport linkages”. However, it can be easily adjusted for wider distribution.

⁹ Secretariat will assist National Forwarders Associations to select routes from the following group of countries: Pakistan – Afghanistan – Iran, India – Bangladesh, India – Pakistan, Bangladesh – Myanmar, Myanmar – Thailand, Vietnam – Cambodia, Thailand – Lao PDR – Vietnam.

*Establishment of regional transport corridors*¹⁰

28. The importance of transport corridors linking landlocked developing countries is explicitly mentioned in several APA priorities, where it stresses that their development and strengthening should be given high priority, both with regard to infrastructure development and maintenance of cost-effective routes and fundamental transit transport policy issues. The transport corridor concept encompasses both infrastructure and facilitation issues on a defined route, ideally intermodal, that can expedite the movements of goods and people across international borders, connecting key points in different countries. It represents a means of access to resources and markets and ensures a connection between landlocked countries and sea.

Priority 2: Infrastructure development and maintenance

*Development of infrastructure and construction of “missing links”*¹¹

29. The APA identifies inadequate infrastructure and particularly “missing links” as a major obstacle to establishing efficient transit transport systems in landlocked and transit developing countries.

30. The secretariat has been engaged with member countries on the formulation of two major transport networks and tangible and measurable progress has been made during the period since the adoption of the APA in 2003. This progress will be documented and shared during the midterm review of the APA.

31. The Intergovernmental Agreement on the Asian Highway Network covering 141,000 Km in 32 countries entered into force on 4 July 2005. As of July 2007, the Agreement has been signed by 28 countries, of which 20¹² including 8 landlocked

¹⁰ APA, paragraphs 14, 21, 40.

¹¹ APA priority 2 paragraph 15, 17 (d).

¹² Afghanistan, Armenia, Azerbaijan, Bhutan, Cambodia, China, Georgia, India, Japan, Kyrgyzstan, Mongolia, Myanmar, Pakistan, Republic of Korea, Russian Federation, Sri Lanka, Tajikistan, Thailand, Uzbekistan and Viet Nam.

countries are Parties to the Agreement. The Intergovernmental Agreement on the Trans-Asian Railway Network covering 81,000 km in 28 countries has now been signed by 19 member countries¹³ including 8 landlocked countries and recently Cambodia became the first Party to the Agreement. The TAR Agreement should to come into force by mid-2008 when it is expected that eight or more countries consent to be bound by the Agreement.

32. The secretariat continues to work to assist countries in developing and upgrading the AH and TAR routes. A UNESCAP study undertaken in 2005 estimated that around US\$ 25 billion of investment was already committed to the development and upgrading of the Asian Highway. However, the study also revealed a shortfall of \$ 18 billion which would be required to upgrade the remaining 26,000 km of the Asian Highway. Analysis of recent data indicates that about 9,000 km or 7 per cent of the network have been improved or upgraded in the last two years. To further promote investment in the AH priority projects, the secretariat is organizing an Asian Highway Investment Forum in November 2007 in Bangkok to facilitate discussion between member countries and potential donors and international financial institutions. The secretariat is now implementing a new project to identify investment needs and development priorities for the Trans-Asian Railway network. Results from these projects would be made available at the midterm review.

33. The United Nations regional commissions are implementing a project on “Capacity-building in developing interregional land- and land-cum-sea transport linkages” (2003-2007). The ESCAP secretariat is involved in two components of the project, one of which focuses on developing Euro-Asian Transport Linkages (together

¹³ Armenia, Azerbaijan, Cambodia, China, India, Indonesia, Islamic Republic of Iran, Kazakhstan, Lao People’s Democratic Republic, Mongolia, Nepal, Republic of Korea, Russian Federation, Sri Lanka, Tajikistan, Thailand, Turkey, Uzbekistan and Viet Nam.

with ECE) while the other focuses on the transport connections of Turkey, Iran and Pakistan to the ESCWA region (with ECE and ESCWA).

34. Through a series of Expert Group Meetings convened in 2004–2007, countries have identified a set of major road, rail and inland water transport routes linking the respective regions. In particular, the Euro-Asian transport linkages identified major transit transport connections to/from and through landlocked countries in Central Asia and the Caucasus.

35. In 2006–2007, participating countries also met to discuss possible ways of addressing current bottlenecks and jointly promoting greater use of these routes by international transport operators and freight forwarders. Data on infrastructure and services along these routes have been collected and is consolidated into a GIS database, which can be utilized by member countries for analysis and planning purposes.

36. The establishment of dry ports in landlocked and transit countries is specifically mentioned in the APA.¹⁴ Intermodal integration requires a number of inland intermodal interfaces which are strategically located where networks of different modes converge. These can be dry ports, inland container depots (ICD), logistics centres, freight villages or stations of international importance. The secretariat is implementing a project on “Promotion of Asian Highway and Trans-Asian Railway: intermodal interfaces as focus for development”. The project provides guidelines for landlocked developing countries to develop intermodal interfaces as nodes that efficiently provide connectivity with coastal areas but also become a focus for the development of production capacity that will stimulate economic development. The secretariat is also implementing a project on “Logistics

¹⁴ APA paragraph 22 (d).

Planning Models for Enterprises and Logistics Clusters” which will provide step by step guidelines for policy makers and the private sector industry on the establishment and promotion of logistics centres.

37. The secretariat, jointly with UNECE, provided assistance to the Project Working Group on Transport and Border Crossing (PWG-TBC) under the framework of the United Nations Special Programme for the Economies of Central Asia (SPECA), all seven members of which are landlocked countries. At its 11th session held on 29-30 March 2006 in Almaty, Kazakhstan and 12th session held on 13-14 March 2007 in Dushanbe, Tajikistan, the PWG discussed work on the activities in support of the Almaty Programme of Action. In particular, the Project Working Group conducted bilateral consultations on border crossing issues, adopted maps of the SPECA Road and Rail Networks, reviewed the progress in developing five SPECA transport databases and approved in principle three projects of common interest. Additionally, work continues to promote the establishment of national trade/transport facilitation committees, accession to, and implementation of international conventions, and analysis of major transport routes, of potential regional importance.

Attracting public sector and private investment in infrastructure projects¹⁵

38. The APA highlights the need for landlocked and transit developing countries to allocate a greater share of public investment to the development of infrastructure and the need to encourage private sector participation in the development and maintenance of infrastructure. In this context, the secretariat has been providing impartial forecasts of maritime container trade and future shipping and port capacity and investment requirements from a regional perspective. The study has been

¹⁵ APA priority 2 paragraphs 16, 17 (a) and (d).

extensively used by member countries as a basis for policy dialogue in formulating shipping and port development strategies such as private public partnership (PPP) in infrastructure development, as evidenced by repeated requests from countries to the secretariat to update the forecast periodically. The secretariat is now working with the Korea Maritime Institute to expand the container forecast study to include intermodal aspects and provide demand forecasts for the container transport network linking major sea ports with main inland areas of production and consumption, with particular attention to intermodal linkages with landlocked and transit developing countries in the region. Within the framework of the study, UNESCAP organized a subregional workshop on intermodal transport planning in Tehran, Islamic Republic of Iran in December 2006. The workshop was attended by delegates from landlocked and transit developing countries in Central Asia and Caucasus region and provided an opportunity to discuss possible intermodal transit transport routes of international importance.

39. In order to assist landlocked countries in identifying physical and non-physical barriers and eliminating such impediments to enhance the international trade, the secretariat, jointly with the Organization for Railways Cooperation (OSJD), launched a project on operationalization of Euro-Asian rail routes with particular reference to landlocked countries in Asia and the Caucasus. Phase I (2005-2006) of the project dealt with three international railway routes of interest to Mongolia with main emphasis on Euro-Asia container block train operation. The study identified technical, commercial, and operational indicators for each of the routes and provided necessary inputs for monitoring of progress in improving efficiency of the routes to facilitate international trade of Mongolia. Phase II of the project has now been initiated focusing on container block trains movement to Kazakhstan.

Priority 3: International trade and trade facilitation

(a) International trade

Asian LLDCs and their integration in trade¹⁶

40. Many of the problems facing LLDCs are linked to an inadequate level and quality of integration of LLDCs in international trade. An assessment, however, is complicated by the fact that data frequently is not available and/or is not reliable. This needs to be taken into account when policy recommendations are made. It should also be considered as one of the most important tasks of both international and national agencies with responsibilities in providing comparable and reliable data for policy analysis.

41. At face value it appears that LLDCs' dependence on trade is at par or even higher than that of their major transit countries (see table 1). Trade dependence (also known as trade openness) is a ratio of trade to a country's GDP. Typically, the trade dependence index falls as size of country (GDP) and share of non-tradeables in country's production increase, other things being equal. For many LLDCs this indicator is not showing significant increase over time and in some cases it even fell indicating increased marginalization rather than inclusion into the world economy. Additionally, their market shares in total world exports and imports remain very low (on average much below one per cent). As these trade ratios are much higher for other Asian countries, combined with much higher economic growth, the conclusion is that landlockedness – with all its consequences in terms of increased trade and transaction costs - is a major cause of the weak integration of LLDCs in the global economy.

¹⁶ Terms 'Asian LLDC or LLDC's ' as used in this document refer to 12 ESCAP LLDCs unless stated

42. Landlockedness, however, is not the single explanatory variable for this marginalization. A subsequent question is whether these countries, if they were not landlocked, would be trading more with the rest of the world? There are two groups of factors that can help in answering this question. Firstly, on the supply side - abstracting from geography-related factors, competitive and comparative advantages explain most of the structure and growth of trade. For the Central Asian LLDCs, factors that most adversely affect competitiveness are high wages in labor-intensive sectors, low diversification in production, and incomplete economic reforms. In other LLDCs, while wage levels are more competitive, the other stated problems are equally valid.

Table 1. Trade dependence of the Asian LLDCs (merchandise trade as per cent of GDP)

Asian LLDCs	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Afghanistan	..	..	..	..	..	45	43	58	52	51
Armenia	72	69	59	56	62	57	63	70	58	55
Azerbaijan	50	40	39	45	57	62	64	72	84	94
Bhutan	72	70	65	72	62	60	57	63	81	76
Kazakhstan	48	49	44	56	76	68	66	69	76	79
Kyrgyz Republic	73	74	82	84	77	62	67	68	75	73
Lao PDR	54	61	72	57	50	49	40	39	35	44
Mongolia	74	98	99	107	122	114	109	111	117	117
Nepal	40	43	36	40	43	40	36	41	39	36
Tajikistan	137	163	99	125	149	121	118	108	101	97
Turkmenistan	128	93	60	109	150	144	111	103	107	106
Uzbekistan	64	56	46	37	40	48	51	58	64	60
Major transit countries										
China	34	34	32	33	40	38	43	52	60	64
India	18	19	18	18	20	20	21	21	25	29
Russian Federation	40	40	49	59	58	51	49	49	48	48
Memo items:										
East Asia & Pacific	50	52	52	52	60	55	57	64	71	75
Least developed countries	42	40	39	42	45	46	46	49	53	57

Note: Where economies engage in trans-shipment and re-export, the value of trade might increase above the GDP and pushes the value of the index above 100%

Source: WDI online assessed 17 July 2007.

43. Secondly, on the demand side, obstacles are traditionally found at the border of major trading partners. Tariffs, quotas, tariff-rate quotas or embargos are a few examples. While successive multilateral rounds of trade liberalization under GATT, and unilateral trade policy reforms, have weakened the impacts of these barriers, non-tariff measures are being increasingly adopted to manage international trade flows. In fact, anecdotal evidence suggests that non-tariff and non-border barriers form more serious obstacles to market access than tariffs.

44. While various measures assess market access, one used in this paper is the proportion of exports that enters developed economies' markets without duty. This ratio is calculated for all product categories excluding arms and the destination markets include major developed economies markets.¹⁷

45. At the aggregate level, it appears that Central Asian LLDCs are granted close to full duty-free access. However, the percentages for Asia-Pacific LDCs, among which four are landlocked, are much lower, except for the Lao People's Democratic Republic. The reason for this is that the Russian Federation grants 100 per cent duty-free access to the Central Asian LLDCs. In addition, the EU and the United States, which are in most cases second and third largest destination markets for these countries, provide close to duty-free access. On the other hand, as shown in table 2, exports of other LLDCs (except Nepal) is more directed towards other markets – China and India in particular - where a much lower proportion of LLDC's exports is duty-free. This explains the sharp difference between LLDCs' and LDCs' average duty free access in the last decade.

¹⁷ More details on these two indicators on www.mdg-trade.org.

46. It should be emphasized that the measures of market access discussed here are given at the average level and should be disaggregated much further when it comes to providing tailored and concrete policy advice. The aim here is to illustrate trends. They may not appear to be unduly alarming from the LLDCs perspective, but they of course do not provide the full picture. In particular, information on non-tariff barriers, including various standards, complex rules of origin as well as utilization of antidumping duties and safeguard measures by importing countries, in manufacturing, agriculture and services should be taken into account. This is especially important as many of the LLDCs are not members of the WTO, and therefore have no ready dispute settlement recourse in cases of discretionary applications of such trade remedies by importing countries.

47. In addition to information on access to the developed economies' markets, it is useful to get an insight into LLDCs' own level of protection. Table 3 illustrates that many have levels of tariffs in line with or below the average tariffs in developing countries. As majority of LLDCs are still not members of WTO, this was achieved mostly through market economic reform processes, including unilateral tariff reforms.

**Table 2. Major export destinations with duty-free export proportions
(in terms of percentage of tariff lines or export values that pays no import duties)**

	EC	United States	Russian Federation	China	India	Pakistan	Israel	Turkey	Hong Kong, China	Thailand	Canada
Afghanistan	93.5 (99.6)				4.5 (23.0)	0.0 (0.0)					
Armenia	41.9 (96.0)		100 (100)				30.0 (99.9)				
Azerbaijan	77.2 (99.2)		100 (100)					74.1 (86.3)			
Bhutan					1.0 (17.8)	0.0 (0.0)			100 (100)		
Kyrgyzstan	49.5 (57.9)		100 (100)	14.1 (42.7)							
Lao People's Democratic Republic	99.1 (99.9)			34.3 (49.6)						5.3 (29)	
Mongolia		12.5 (4.8)		18.9 (82.8)							34.4 (98.1)
Nepal	97.6 (94.5)	30.7 (37.6)			8.7 (14.7)						
Tajikistan	40.5 (45.9)	25.0 (99.6)	100 (100)								
Uzbekistan	39.7 (87.3)		100 (100)	5.9 (0.1)							

Note: Numbers without brackets show proportion of tariff lines exported duty free. Bracketed numbers show proportion of value of exports admitted without import duty.

Source: WTO, ITC and UNCTAD (2007), World Tariff Profiles 2006, Part B.

Table 3. Average import tariffs levied by LLDCs in 2006

		Frequency distribution of MFN applied import duties by tariff lines (per cent)							
		Duty-free	0≤5	5≤10	10≤15	15≤25	25≤50	50≤100	>100
Asian LLDCs									
Afghanistan	AG	1.2	72.6	12.6	0	8	0	0	0
	Non-AG	0.4	73.1	24	0	2.4	0	0	0
Armenia	AG	32	0.1	65.3	0.6	0.9	0.7	0.2	0.1
	Non-AG	77.4	0	22.6	0	0	0	0	0
Azerbaijan	AG	0.7	14.7	1.7	78.7	1.2	1.4	1.2	0.3
	Non-AG	1.4	41.4	6.1	44.8	0.1	0	0	0.1
Bhutan*	AG	0	0	3.1	0	5.5	87	4.1	0
	Non-AG	4.1	0	34.9	2.6	26	32.2	0.1	0
Kyrgyzstan	AG	1.2	6.9	57.5	11.7	21.9	0.2	0.3	0.3
	Non-AG	23.2	10.4	58.6	7.8	0	0	0	0
Lao People's Democratic Republic*	AG	0	27.3	20.8	0	8.2	43	0	0
	Non-AF	0	59	33.2	0.1	4.9	2.8	0	0
Mongolia	AG	0.7	98.1	0	0.7	0	0	0	0
	Non-AG	12	88	0	0	0	0	0	0
Nepal	AG	1.7	9.6	60.5	10.1	9.5	7	0.6	0.8
	Non-AG	0.8	24.1	27	31.6	11.4	4.3	0.7	0
Tajikistan	AG	1	42.3	23.9	29.8	0.3	0.7	1.3	0.4
	non-ag	1	66.9	16.1	16	0	0	0	0
Uzbekistan	AG	0.2	21	34.3	0.4	0.3	42.6	0.7	0.4
	Non-AG	1.5	26.6	30.4	0	0	32.3	0.1	0
Major transit countries									
China	AG	6	7.2	25.8	25.5	25.8	7.3	2.3	0
	Non-AG	7.3	19.9	45.5	14.3	11.5	1.6	0	0
India	AG	2.5	0	1.4	3	0.4	80.5	10.7	1.4
	Non-AG	2.4	1.8	0.2	84.8	5.2	4.2	1.1	0.2
Russian*Federation	AG	2.1	38.2	11.6	30.7	8.8	6.2	1.6	0.6
	Non-AG	1.2	43	16.2	20.9	16.5	1.8	0.3	0.1

* 2005

Source: WTO, ITC and UNCTAD (2007), World Tariff Profiles 2006, Part A.1.

Note: AG = agriculture, Non-AG = non-agriculture

Multilateral and preferential trade liberalization

48. WTO accession is one of the most important policy objectives for all LLDCs that are not yet members: 8 out of 12 Asian LLDC have yet to obtain this status. These eight countries are at very different stages of their accession processes, with Kazakhstan realistically expecting to clear the last remaining obstacles in a near future, and Turkmenistan yet to apply for membership.

49. Why does WTO membership matter? In addition to reasons such as having a common platform for exchange of information, negotiation, access to dispute settlement, for LLDCs of

Central Asia WTO membership signals commitment to a market-based economy, which in turn anchors domestic reforms and increases their credibility among investors, financial institutions and trading partners.

50. The accession of the transition LLDCs has been slowed down by long processes of accession. Despite their obvious struggle to prepare their economies to meet the standards of the WTO membership, there have generally been no special considerations given to these countries. These countries also do not automatically get benefits granted to other WTO developing countries – despite the fact that often their economic performance scores lower than a typical developing country. Consequently, LLDCs have joined other Asian countries in pursuing additional bilateral and regional trade deals.

51. The ESCAP secretariat has been tracking PTAs through a database called Asia-Pacific Trade and Investment Agreements Database (APTIAD). From this database it emerges that while three-fourth of LLDCs are not WTO members, they all belong to more than one preferential trading blocs. Only one ESCAP member which is also a member of WTO – Mongolia – is not party to any reciprocal preferential trade agreements. Tables 4 and 5 provide basic information on the participation of these countries in preferential trade arrangements.

Table 4. Participation of LLDCs in preferential trade agreements

Country	Total number of agreements	Agreements in force (including pending ratification)	Agreements under negotiations	Notified under Enabling clause	Notified under GATT Art XXIV and / or GATS Art V	Not notified*
Afghanistan	3	3	0	1	0	2
Armenia**	9	9	0	0	8	1
Azerbaijan	3	3	0	1	2	0
Bhutan	3	3	0	0	0	3
Kazakhstan	8	8	0	1	5	2
Kyrgyzstan**	10	10	0	1	8	1
Lao People's Democratic Republic	13	12	1	5	0	8
Nepal**	3	3	0	0	0	3
Tajikistan	4	4	0	1	2	1
Turkmenistan	5	5	0	1	3	1
Uzbekistan	7	7	0	1	3	3
Mongolia** is not a member of any PTAs.						

* not notified or information on notification not available.

** member of WTO.

Source: APTIAD, July 2007.

Table 5. What type of trade agreements are LLDCs involved in?

Country	BTA	RTA+CB	FTA	FA	PTA	CU
Afghanistan	3	1	-	1	2	-
Armenia	7	2	8	1	-	-
Azerbaijan	1	2	2	-	1	-
Bhutan	1	2	2	1	-	-
Kazakhstan	4	4	5	1	1	1
Kyrgyzstan	5	4	6	1	1	1
Lao People's Democratic Republic	2	10	3	6	3	-
Nepal	1	2	1	1	1	-
Tajikistan	-	4	1	1	1	1
Turkmenistan	2	3	3	1	1	-
Uzbekistan	3	4	4	1	1	1
Memo: Total for 11 countries	23	17	24	10	5	1

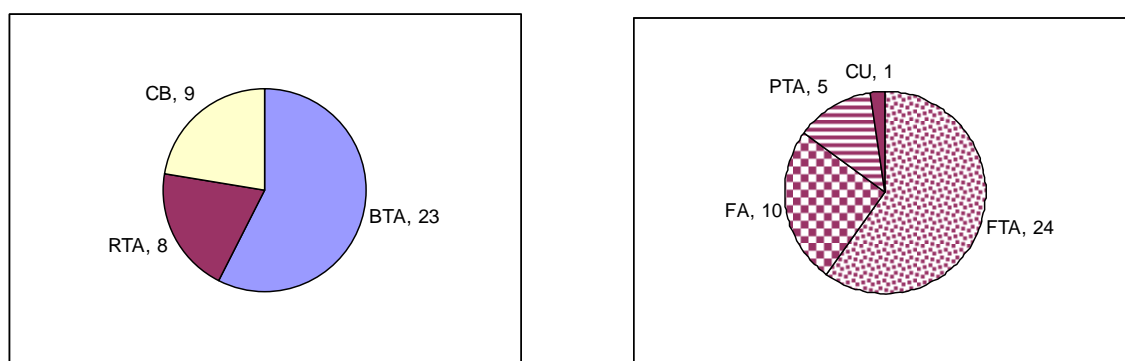
Scope: BTA = bilateral trade agreement; RTA = regional trade agreement; CB = country block (e.g., AFTA-China; AFTA-India, AFTA-Korea etc.)

Type: FTA = free trade agreement, FA= framework agreement, PTA= preferential trade agreement; CU = customs union

Source: APTIAD, July 2007.

52. Eleven LLDCs are party to 40 trade deals in force and under negotiation as compared to total ESCAP membership accounting for 133 agreements. From table 5, average number of trade agreements in implementation for a single LLDC is just above 6. LLDCs that are members of the WTO implement on average 7.3 agreements (excluding Mongolia); and non-WTO members slightly less - 5.6 trade agreements each.

Figure 1. Architecture of PTAs of LLDCs



Source: APTIAD, July 2007.

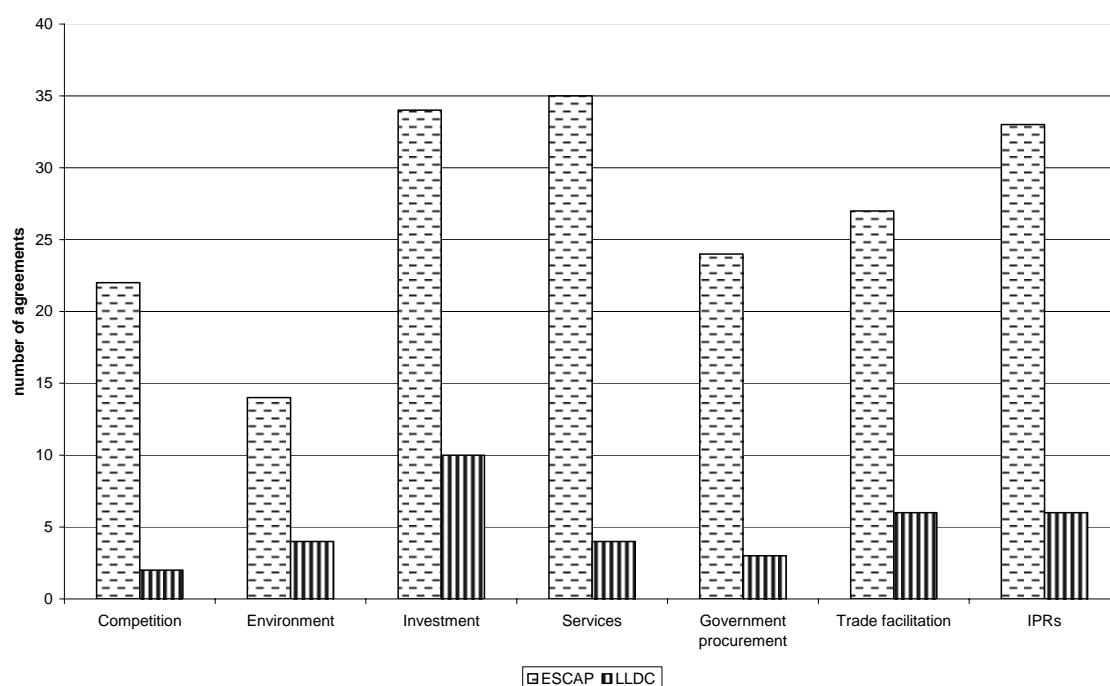
53. As illustrated in figure 1, the general preference is for bilateral trade agreements (BTAs). Most LLDCs opt for FTAs (24), followed by FA (10), PTAs (5) and one union (EAEC, also known as EurAsCom is the only customs union with all members from the region).¹⁸ Three LLDCs that are also LDCs (Bhutan, Lao People's Democratic Republic and Nepal) form parallel agreements with the same partners resulting in multiple memberships. For example, Bhutan and Nepal have bilateral FTAs with India, but the three are also members of SAFTA and BIMSTEC, while the Lao People's Democratic Republic has a BTA with Thailand and both are members of AFTA and its many configurations. LLDCs follow the same pattern with duplicating arrangements through bilateral and regional agreements with same partners: Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan are members of CIFTA, ECOTA and EAEC and also have bilateral agreements with the rest of members in these blocks. This overlapping membership leads to the well-known noodle bowl effect and makes preferential trade less efficient.

54. Figure 2 illustrates the stark difference between approach of LLDCs to commitments in areas such as competition, government procurement or services compared to the ESCAP-wide coverage. BTAs/RTAs for the central Asian LLDCs appear therefore to serve more as "normalization" of trade relationships with each other and with the Russian Federation. This

¹⁸ Another but only partly regional CU is between Turkey and the EC.

is the case especially for those LLDCs that are not WTO members. There would be a benefit therefore for them to first join WTO and then consolidate BTAs into one grand trade bloc in support of RTA disciplines of WTO. Meantime, further research is required to provide more concrete assessment and recommendations for improvement of design and scope of the preferential trade agreements.

Figure 2. Scope of coverage under RTAs/BTAs



Source: APTIAD, July 2007.

55. A faster and well-thought through accession to WTO and better designed PTAs, most importantly with regard to tariff and non-tariff barriers appears to be the main trade policy challenges facing these countries. The objective is not only to reduce average level of applied protection but to simplify protection systems so that these reforms are put in the driving seats for restructuring of LLDCs' economies. Rationalization of the protection systems (which does not necessarily mean the reduction of the average level of protection), together with appropriate review and redesign of preferential rules of origin, should attract new investment which in turn will ensure horizontal and vertical linkages with the other producers in the

region and globally. Employment resulting from this extension of production linkages is considered as one of the most important factors of sustainable development.

ESCAP responses to assist LLDCs in gaining more equitable access to international markets

56. LLDCs of Asia find themselves in a unique position. While they have not been able to fully integrate into the global and regional economy, in a diversified manner, the common problems they face underline the desired goal of strengthening cooperation among themselves.

57. At the same time, the momentum driven by rapidly expanding Asian and Pacific developing countries offers Asian LLDCs unique opportunities. This calls for rethinking of policies towards regional integration as was argued above. Findings from analytical work indicate that there is a need to rationalize the large number of existing bilateral and regional PTAs into larger economic spaces even for the countries already well established as members of global and regional trading systems.

58. The secretariat will continue assigning high priority to activities which can directly or indirectly strengthen the analytical capacity of LLDCs to assess impacts of integration in the global and regional economies and use these assessments in formulation of trade reforms.

59. ESCAP secretariat in collaboration with partners and using modalities of ARTNeT, APTIAD, Asia-Pacific Trade Agreement (APTA) and WTO/ESCAP technical assistance programme, among others, will continue working with governments, researchers and civil society of all these countries in meeting the objective of their effective participation in the multilateral and regional trading system. The focus is on strengthening their ability to formulate trade policy reforms so as to include the interests of the whole society, build and strengthen their negotiating capacity through better understanding of global trading system as well as economic and social implications of accession, and strengthen capacity to implement accession commitments.

60. In implementation of resolution 63/5 from 2007, the secretariat will:

(a) Continue, in collaboration with WTO and UNCTAD, its technical assistance activities in helping concerned countries accede to WTO. An EC-funded project on Bhutan's accession to WTO is being implemented, while two project proposals addressing WTO accession issues of Central Asian countries and Nepal, respectively, are under preparation. The emphasis will be on a government to government sharing of accession experiences and strengthening cooperation among this group of countries.

(b) The Secretariat will organize activities aimed at revising awareness of the benefits emanating from membership of APTA, as a vehicle for integration into rapidly growing economies such as China and India. Countries which expressed interest in joining APTA, such as Kazakhstan, Mongolia and Tajikistan, may find analytical and advisory work undertaken by the secretariat in this area useful.

(c) Under the WTO/ESCAP Technical Assistance Programme and a project funded by Macao, China on establishing a regional trade policy knowledge hub, a number of training programmes and advocacy seminars will be organized, as well as advisory services provided, on the Doha negotiations. Furthermore, Asia-Pacific Trade and Investment Agreements Database (APTIAD) is being further enhanced to enable easier tracking and assessment of the preferential trade agreements signed by Asia-Pacific economies, including LLDC and transit developing countries.

(d) As part of the SPECA Working group on trade, the secretariat will continue assisting members to more effectively integrate into the regional and global economies and in their effort to strengthen their regional and in their accession to the WTO.

(e) The secretariat will work closely with the OHRLLS, other relevant agencies and research community on developing an appropriate sets of indicators which allow for comparative and meaningful measurement of progress in implementation of APA, such as accession to the WTO, enhancement of market access, effective use of trade agreements for

trade creation, and similar. Set of trade performance indicators used in APTIAD as well as MDG8-indicator 38, 39 and 41 will be used as appropriate.

(f) The secretariat will assist in the analytical work required for the mid-term review and provide advisory services to LLDC on implementation of APA, including through the thematic global meeting on trade and trade facilitation in Mongolia from 28 to 31 August 2007.

(g) The secretariat will continue to provide assistance in building the capacities of LLDCs to implement trade facilitation policies and measures, including through the United Nations Development Account (UNDA) 5th Tranche through the following:

- Promote integrated approach to trade facilitation
- Build public-private partnerships for an effective implementation of trade facilitation measures
- Assist with implementing international conventions, standards and best practices in trade facilitation
- Establish a competence network to create and use electronic trade documentation aligned with UN standards
- Assist with implementing commitment arising from the WTO trade facilitation negotiations.

(h) The secretariat will also continue providing capacity building and research support for simplification and harmonization of trade and procedures and documents, including through the UNDA 4th Tranche and 6th Tranche projects and following:

- Promote the use of international standards for simplification and alignment of trade documents and creation of single window facilities
- Conduct feasibility studies for introduction of single window facilities
- Initiate subregional knowledge-sharing platforms of LLDCs/ SPECA countries.

(b) Trade Facilitation

61. Experience have shown that even with relatively low tariff rates, moving goods and services across borders still requires complex regulatory procedures and formalities. Despite being recognized as an impediment to trade, non-tariff barriers have not received a prominence within the Doha Development Round negotiations, except for trade facilitation. Trade facilitation negotiations address a specific, rather narrow part of non-tariff barriers, relating to goods in transit, fees and formalities associated with importation and exportation of goods and transparency issues.

62. Although administrative and customs procedures are necessary parts of trade and regulatory policies, they can significantly impede the flow of goods across borders. Inefficient customs and transit transport procedures and cumbersome documentation are considered to be the main cause of delays and represent a greater obstacle to trade for landlocked developing countries, than tariffs. High trade transaction costs, caused by among others time consuming border crossing procedural requirements and multiple border controls, pose a major challenge to LLDCs to fully benefit from global market opening. Furthermore, they are also dependent on the regulatory and border requirements of their neighboring (transit) countries.

Indicators

63. The World Bank survey on Doing Business (2006) uses several 'front-end' indicators including the number of documents used to export and import goods, the number of signatures used to export and import goods, the time and the cost to export and import cargo. According to the survey, the time to move an export container to the nearest port, fulfilling all the customs, administrative and port requirements, is 25.8 days on average in East Asia and the Pacific, 31.6 days in Europe and Central Asia, 33.6 in Middle East and Northern Africa and 33.7 in South Asia. A closer look at selected LLDCs showed a wide variation of between

93 days in Kazakhstan to 39 days in Bhutan.¹⁹ From the survey LLDCs take two to three times longer to move a cargo for export than those countries with the sea ports. Table 6 shows the total number of documents that are necessary to export and import goods, time necessary to meet all procedural requirements as well as costs associated with procedural requirements for export and import in LLDCs in the Asia-Pacific region.

Table 6. Documents, time and cost to export and import goods in Asian landlocked developing countries

Asian LLDCs/ Regions	Documents for export **	Time for export **	Cost to export **	Documents for import **	Time for import **	Cost to import **
	<i>(number)</i>	<i>(days)</i>	<i>(USD per container)</i>	<i>(number)</i>	<i>(days)</i>	<i>(USD per container)</i>
Year	2006	2006	2006	2006	2006	2006
Afghanistan	7	66	2 500	11	88	2 100
Armenia	7	34	1 600	6	37	1 750
Azerbaijan	7	69	2 275	18	79	2 575
Bhutan	10	39	1 230	14	42	1 950
Kazakhstan	14	93	2 780	18	87	2 880
Kyrgyz Republic	..	..	..	18	127	3 032
Laos	12	66	1 420	16	78	1 690
Mongolia	11	66	3 007	10	74	3 030
Nepal	7	44	1 599	10	37	1 800
Tajikistan	14	72	4 300	10	44	3 550
Turkmenistan	..	..	..	..	..	..
Uzbekistan	10	44	2 550	18	139	3 970
LLDCs in Asia	9.9	59.3	2 326.1	13.5	75.6	2 575.2
East Asia & Pacific	6.9	23.9	884.8	9.3	25.9	1,037.1
Europe & Central Asia	7.4	29.2	1 450.2	10.0	37.1	1,589.3
South Asia	8.1	34.4	1 236.0	12.5	41.5	1,494.9
OECD	4.8	10.5	811.0	5.9	41.5	882.6

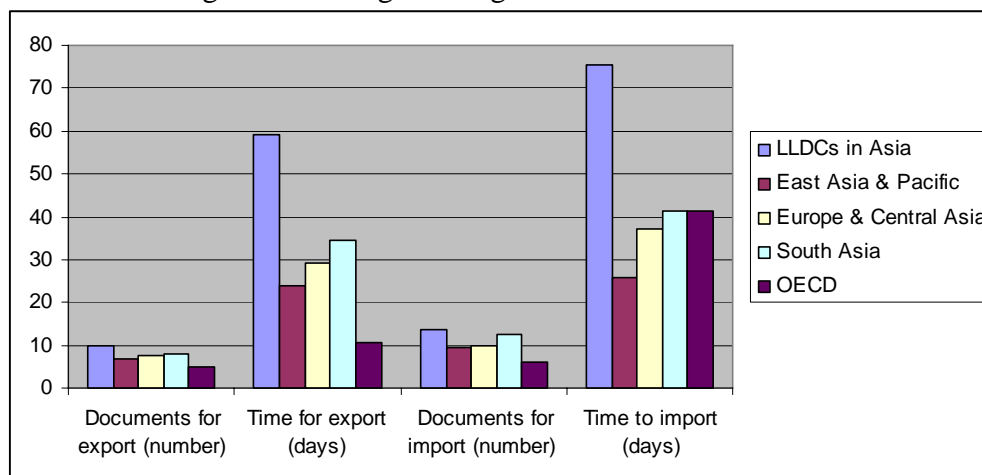
Source: www.doingbusiness.org

64. Among the country groups or subregions in Asia and the Pacific, LLDCs have the most stringent border crossing conditions with the highest number of documents, days and highest cost involved in exporting and importing goods. Figures 3 and 4 show a comparison

¹⁹ www.doingbusiness.org

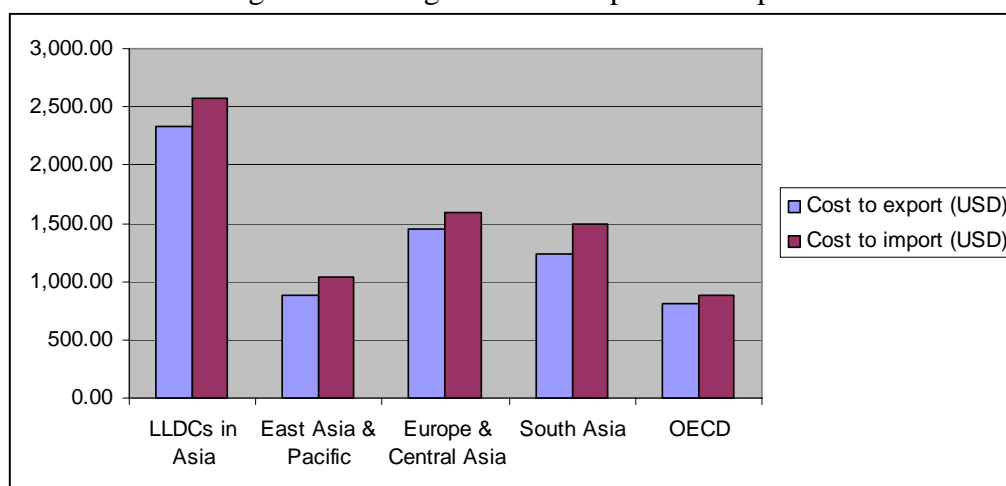
summary of the number of documents²⁰ and the time for export and import in the major Asia-Pacific subregions, Asian LLDCs and OECD countries. Asian LLDCs have the most restrictive border crossing restrictions in form of documentary requirements, whereas OECD provides for the least restrictive border crossing conditions.

Figure 3. Average trading across borders indicators



Source: www.doingbusiness.org

Figure 4. Averages costs to export and import



Source: www.doingbusiness.org

ESCAP's initiatives

65. Trade facilitation has become an increasingly important tool for establishing a more transparent, consistent and predictable environment for international trade in LLDCs. Its

²⁰ The documents considered include port filing documents, customs declaration and clearance documents and official documents exchanged between the concerned parties.

primary goal is to simplify, harmonize and standardize international trade procedures, documents and information flows, and improve countries' overall business environment. Well-targeted trade facilitation measures, such as single administrative documents for customs clearance, one-stop/ single window facilities, electronic trade documentation systems, pre-arrival clearance, post-clearance audit and green lanes for trusted operators, can greatly reduce the time and the cost of trade transactions.

66. Streamlining and harmonization of the trade procedures and documentary requirements are major trade facilitation measures and have been recognized as an integral part of the Almaty Programme of Action (under Priority 3). ESCAP's mission in trade facilitation is to promote the simplification and harmonization of trade procedures and documents and the use of international standards. To meet this mission, ESCAP conducts research, capacity building and experiences sharing activities.

67. ESCAP secretariat has been implementing or in the process of implementing several projects targeting LLDCs and transit developing countries as follows:

- Capacity Building in Support of Trade Integration with Emphasis on Integrated Trade Information Flow Management and Trade Facilitation in Central Asia: the project was launched in 2006 for the period of four years and covers the following countries: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.
- Interregional Partnership for Promoting Trade as an Engine of Growth Knowledge through Management and Information and Communication Technologies: the project was initiated in 2005 and will be closed in 2007. It covers all ESCAP member states, however some activities related to alignment of trade documentation and e-documents targeted specifically LLDCs.
- Institutional Capacity Building for International Trade and Transport in Landlocked and Transit Countries: the multidisciplinary project covered a period

of 2005-2006 and is described in part 'Trade and Transport Facilitation' below.

- Capacity Building of ESCAP Member States for Managing Globalization: the project was implemented in the period of 2002-2004 and covered following countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan.

68. ESCAP has conducted advisory missions in 2003-2006 in a number of LLDCs. The findings of these advisory missions are contained in the study entitled *Trade Facilitation in Selected Landlocked Countries in Asia* (<http://www.unescap.org/tid/publication/publicat.asp>).

69. ESCAP secretariat assisted governments of six developing landlocked countries (Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Mongolia, Tajikistan, Uzbekistan) and their respective transit neighbours to reduce nonphysical bottlenecks in international trade and transport.

70. A number of studies and guidelines have been developed pertaining to the establishment of trade and transport facilitation committees, on the legal arrangements for transport and on the application of information and communication technologies for cross border trade and transport facilitation. A database on trade and transport facilitation has been established on ESCAP's website. National trade and transport facilitation workshops and other meetings were held to introduce and discuss these products in order to assist participating countries in formulating their trade and transport facilitation priorities. These activities brought together both public and private stakeholders involved in trade and transport facilitation at the national and regional level. They generated greater awareness of the need for an integrated approach to trade and transport facilitation as well as in concrete actions, which are being undertaken by the countries.

IV. REPORTING NATIONAL INITIATIVES IN THE IMPLEMENTATION AND REVIEW OF THE APA

71. In order to assist countries undertake a preliminary assessment of the level of implementation of the Almaty Programme of Action at the national level it is suggested that landlocked and transit developing countries report on the progress at a country level on the basis of the following draft framework at the forthcoming Globalization Committee.

Towards the Midterm Review of APA - Implementation of the APA at a National Level	
<i>Priority 1</i>	<p><i>Fundamental transit policy issues</i></p> <ul style="list-style-type: none"> - Progress in acceding/ ratifying International conventions and formulating/implementing bilateral and subregional agreements on transport, transit and Customs - Measures to promote an integrated approach in planning and developing the trade and transport sector - Measures to eliminate non physical barriers to transit transport -
<i>Priority 2</i>	<p><i>Infrastructure development and maintenance</i></p> <ul style="list-style-type: none"> - Public investment allocated to the development of infrastructure - Construction of missing links - Measures to encourage private sector participation - Use of ICT and based management and monitoring systems - Development of multimodal transport
<i>Priority 3</i>	<p><i>International trade and trade facilitation</i></p> <ul style="list-style-type: none"> - Issues relating to the WTO, particularly WTO accession - Issues relating to improved market access, at the global and regional levels - Is there a comprehensive trade facilitation strategy or action plan? If so, what is the lead agency and what are the details of the plan? - Has there been a review of the trade and customs laws and regulations? - Measures to streamline trade and customs laws and regulations

	- Simplification of trade documentation and alignment with international standards including one stop facilities /single window facilities, introduction of electronic trade documentation systems, application of simplified cargo procedures, such as pre-arrival clearance, post clearance audits, authorized operator concept and introduction of green lanes
Priority 4	International support measures
Priority 5	Implementation and review

V. ISSUES FOR CONSIDERATION BY THE COMMITTEE

72. The Committee is invited to:

- (a) Report on the progress made at a national level in the implementation of the APA, particularly on the areas identified in the framework “Towards the midterm review of the implementation of the APA – national initiatives” in section IV
- (b) Comment on any additional information that should be captured through the framework, and its use as a reporting mechanism on country level activities for the midterm review of the APA.
- (c) Provide guidance to the secretariat on future priority initiatives to be undertaken within the APA.
- (d) Provide guidance on the preparations for the regional midterm review of the APA including the subject areas and agenda for the Regional Preparatory Meeting scheduled to be held in conjunction with the 64th session of the Commission in 2008.

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