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**Promoting and strengthening synergies among the three pillars**

**Progress report on the implementation of the  
provisions of the Accra Accord related to  
transport and trade facilitation**

**Note by the UNCTAD secretariat**

*Executive summary*

This report provides information on the implementation and execution of paragraphs 107 and 164–168 of the Accra Accord in relation to transport and trade facilitation matters that aim at contributing to enhancing the economic development and competitiveness of developing countries through efficient trade logistics – including Customs modernization, efficient transport systems, trade facilitation, and a supportive regulatory and legal framework. The report highlights the work and efforts that have been embarked upon in research and analysis, consensus-building, and technical cooperation activities during the period since the second session of the Trade and Development Commission. More detailed information can be found in the *DTL Activity Report 2010* (UNCTAD/DTL/2011/1).

## Introduction

1. The work undertaken by UNCTAD in the field of transport and trade facilitation since the second session of the Commission reflects the mandate on transport and trade facilitation as set out in the Accra Accord. The activities and performance in this area, detailed in this report, reflect work carried out by the Division on Technology and Logistics, in fulfilment of the relevant paragraphs of the Accra Accord.

### **Box 1. Accra Accord paragraphs on technical assistance related to transport and trade facilitation**

107. UNCTAD should provide technical assistance to landlocked developing countries and transit developing countries to help them ensure that adequate and efficient infrastructure and services, as well as effective transit transport arrangements, are in place to support trade.

166. UNCTAD should continue to provide capacity-building and technical assistance to policymakers and other stakeholders in developing countries on such issues as reducing transport costs and improving transport connectivity and competitiveness, developing and implementing appropriate institutional and legal frameworks, and devising and implementing national and international actions to promote transport and trade facilitation, including in transit corridors. It should coordinate this work with other relevant organizations where appropriate. It should continue to assist developing countries in transport and trade facilitation negotiations, including in the context of the Doha Round, and in ensuring the effective implementation of agreed rules and standards.

167. UNCTAD should continue to provide assistance to developing countries to design and implement policies and actions aimed at improving the efficiency of trade transactions as well as the management of transport operations. It should also continue to cooperate with member States in implementing ASYCUDA, the automated system for customs data.

## I. Technical assistance and capacity-building activities

2. During the reporting period, capacity-building activities were carried out on the important issue of transit. For instance, in collaboration with the International Association of Freight Forwarders (FIATA), the Ethiopian Freight Forwarders and Shipping Agents Association (EFFSSA), and the Ethiopian Maritime Affairs Authority, a training programme was delivered on freight forwarding. The course helped EFFSSA with training, empowering and building the capacities of local resource persons, thereby increasing Ethiopia's understanding of international trade and helping the country to integrate further into the global marketplace.

3. UNCTAD successfully concluded the implementation of the trade facilitation component of the Emergency Customs Modernization and Trade Facilitation Project in Afghanistan in 2010. This project, which is managed by UNOPS and financed by the World Bank, has been extended several times. Its key achievements since 2004 include (a) a professional directory and training package for the national association of freight forwarders; (b) the restructuring of the department in charge of transit in the Ministry of Commerce and Industries; (c) the initiation of negotiations to join the World Trade Organization (WTO) with the preparation of Afghanistan's *Memorandum on its Foreign*

*Trade Regime*; and (d) the conclusion of its negotiations with Pakistan on the Afghanistan–Pakistan Transit Trade Agreement.

4. The Afghanistan–Pakistan Transit Trade Agreement is of particular importance to landlocked Afghanistan, since it facilitates access for Afghanistan to regional and overseas markets. The Agreement permits the use of more ports, and of more carriers including Afghan trucks, and also increases the number of border crossing points. For instance, it provides for use of the land border between Pakistan and India for Afghan exports, and envisages the use of Afghan territory for trade between Pakistan and Central Asian countries. UNCTAD’s expertise and assistance were instrumental during the preparation of the draft agreement by Afghanistan’s Ministry of Commerce and Industry. A key factor for the success of UNCTAD’s support lay in the combination of assistance provided. This encompassed advisory services provided by international and local consultants, national seminars, and workshops.

5. Furthermore, in the context of strengthening institutional and human capacities to participate in the WTO negotiations on trade facilitation with a view to planning, implementing and monitoring the ongoing trade facilitation reforms at the national and regional level, UNCTAD organized and participated in several consensus-building and capacity-building events in which issues of particular interest to African countries – especially the least developed countries (LDCs) and the landlocked developing countries (LLDCs) – were addressed. UNCTAD also continued to support Geneva-based delegations by providing advice on substantive issues of the trade facilitation negotiations, including transit.

6. Activities were also conducted to strengthen national capital-based working groups on trade facilitation, which aim to promote coordination among the government agencies and the business community involved in domestic trade facilitation reforms. To this end, trade facilitation needs assessments were carried out in Niger and in the Congo, and national workshops on the current state of the WTO negotiations were held in Benin, Botswana, Honduras and Senegal.

7. At the regional level, workshops were jointly organized with the Agency for International Trade Information and Cooperation. Workshops were held in Nepal for Asian LDCs and in Uganda for East African countries. Both workshops addressed the latest developments in trade facilitation, transit issues, and collaboration between landlocked and transit countries, and discussed the trade facilitation measures that are on the agenda of the WTO trade facilitation negotiations.

8. A forum entitled “Engaging the trading community: WTO, trade facilitation and the private sector in developing countries” was held in Geneva. The forum reiterated the crucial role of the private sector both during the assessment of each country’s trade facilitation needs and priorities within the WTO negotiations and during the implementation of their trade facilitation commitments. As a consequence of this very successful meeting, there were requests from both donor and developing countries to extend the public–private discussion approach to regional events in Africa, Asia and Latin America.

9. With regard to another relevant trade facilitation issue, UNCTAD sustained its activities in support of developing countries and transition economies during the ongoing trade facilitation negotiations within the framework of WTO’s Doha Development Agenda. Economic regional integration is a dynamic reality of the world trade system. UNCTAD, therefore, collaborates with the Commission of the West African Economic and Monetary Union (UEMOA) and with the Secretariat of the Organization of Eastern Caribbean States (OECS). In 2010, regional workshops were organized for member States of these two regions, which provided a forum for the exchange of negotiating positions and the sharing of implementation experiences and best practices. In the OECS member States, UNCTAD

supported national trade facilitation working groups through the cluster development approach. This is used to reinforce collaboration among different stakeholders in order to raise their capacity to jointly plan and undertake trade facilitation interventions.

10. In 2010, with the support of UNCTAD, OECS held regional trade facilitation consultations in Saint Lucia with its WTO member States. The consultations provided an update on the WTO negotiations on trade facilitation, and served as a forum for discussion among the member States on the proposed consolidated text. The meeting took place in the context of strengthened regional economic integration, notably the forthcoming application of OECS's Protocol on the Economic Union of the Revised Treaty of Basseterre and the implementation of the CARICOM Single Market and Economy. With the Protocol on the Economic Union, the OECS members set out the objective of an economic union, as a single financial and economic space. This includes, *inter alia*, the establishment of a customs union; the harmonization of monetary, fiscal, and commercial policies; and the free movement of people. This integration process requires that special attention be paid to trade facilitation as a means to remove barriers to trade. OECS has, as a result, requested a follow-up to this cluster development activity, and CARICOM has asked for a specific project to be executed to implement a Regional Single Administrative Document within the Single Market and Economy scheme.

11. Assistance was provided to strengthen port governance in the Comoros, as part of UNCTAD's Integrated Framework projects. The project in the Comoros is helping to connect relevant stakeholders in the port communities and to enable them to improve the transit of goods in these ports. Two clusters were built, in the ports of Mutsamudu and Moroni. The project succeeded in offering a platform for private and public stakeholders to share information and identify solutions to improve operational efficiency. Both clusters have developed action plans and import-procedure manuals, which are available to all users. Both ports expressed satisfaction with the progress made in improving cooperation among actors, and plan to continue to make effective use of the structures established.

12. As part of its capacity-building work undertaken in 2010, the UNCTAD secretariat provided lectures and presentations in various forums. This included participation in an international postgraduate course (Research in Marine Environment and Resources) held in San Sebastian, Spain, and jointly organized by a number of European universities; a round table event organized by the International Centre for Trade and Sustainable Development on climate change and trade and development, focusing on aviation and shipping; a stakeholder meeting of an EU-funded research project entitled Technology Opportunities and Strategies Towards Climate-Friendly Transport, held in September 2010; and the International Union of Marine Insurers' annual conference, the theme of which was Marine Insurance: Meeting the Challenge of the New Decade – a key industry event with 750 delegates.

13. In accordance with the mandate in paragraphs 107 and 166 of the Accra Accord, UNCTAD continued to participate actively in global collaborative initiatives via a number of events (organized by the African Development Bank, the Asian Development Bank, the Commonwealth Secretariat, the École Polytechnique Fédérale de Lausanne, the Economic and Social Commission for Asia and the Pacific, FIATA, the Freight and Logistics Leaders Forum, the International Association of Maritime Economists, Intertanko, the Islamic Development Bank, the International Organization for Standardization (ISO), the International Transport Forum, the Ministry of Transport of Thailand, Sweden's National Board of Trade, the Organization for Economic Cooperation and Development, the United Nations Special Programme for the Economies of Central Asia, the World Customs Organization (WCO), the World Maritime University, and several other academic institutions).

14. During the reporting period, the secretariat also provided advice and guidance on issues arising in the field of transport and trade facilitation on an ad hoc basis. Responses – both written and verbal – were made to requests received from various governmental and intergovernmental entities and also from non-governmental organizations. Advice and policy guidance were given on a range of substantive legal issues and international legal instruments, including: (a) the Rotterdam Rules, 2008; (b) the International Convention on Arrest of Ships, 1999; (c) the United Nations Convention on International Multimodal Transport of Goods, 1980; and (d) the Convention on a Code of Conduct for Liner Conferences, 1974. Information, documentation and data, in particular relating to seaborne trade and freight costs, were provided to various public- and private-sector entities, including other United Nations entities and their memberships, and also to academia, consultancy firms and industry associations from both developed and developing countries.

15. Incorporated into its capacity-building work undertaken in 2010, UNCTAD participated in the Global Facilitation Partnership and in working groups of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). In the framework of UNCTAD's TrainForTrade Port Training Programme (Dar es Salaam) and of its regional courses on Key Issues on the International Economic Agenda (Baku, Beirut and Geneva), and in collaboration with its Virtual Institute, modules were delivered on trade logistics. In cooperation with other branches of UNCTAD, contributions were made to the organization and documentation for UNCTAD's intergovernmental meetings, including the UNCTAD pre-conference event for the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) on "Building productive capacities in LDCs for inclusive and sustainable development".

16. Regarding customs automation, UNCTAD's Automated System for Customs Data (ASYCUDA) programme – through its use of ICT in logistics – continues to be a leader in Africa, with 35 African user countries. Implementation of the ASYCUDA programme remained UNCTAD's largest technical cooperation activity in 2010; it is present in over 90 countries.

17. In 2010, there were some 67 ASYCUDA technical assistance projects, including 14 regional/interregional projects. As part of a regional project being implemented in cooperation with the secretariat of the Common Market for Eastern and Southern Africa (COMESA), the number of operational sites using the ASYCUDA++ system was extended in the Comoros, the Democratic Republic of the Congo, Eritrea, Seychelles and Swaziland. Activities for the implementation of or migration to ASYCUDA++ continued in Afghanistan, Botswana, Cameroon, Guinea, Guinea-Bissau, Malawi, Nigeria and Sierra Leone.

18. The latest release of the ASYCUDA system was made operational in Côte d'Ivoire, Liberia and Zimbabwe. The implementation of norms and standards has always been a major commitment for the programme, and this is especially true in Africa. In fact, the number of ASYCUDA-user countries in Africa has increased. Most of these countries have already decided to keep modernizing their customs administrations, and to this end, have adopted the latest ASYCUDA system in order to get the full benefit of Internet-based developments and the enhanced functional capabilities. The year 2010 saw the last migrations from the few remaining ASYCUDA version 2 systems that had been installed in the 1980s and were still operational. For instance, Liberia took only six months to successfully begin live operation of the ASYCUDA system – a considerable step forward in a very short period. In 2010, implementation activities started or continued in Anguilla, Gibraltar, the Islamic Republic of Iran, the Lao People's Democratic Republic, Libya, Maldives, Montserrat, Sao Tomé and Príncipe, Sri Lanka, Tunisia, the Turks and Caicos Islands, and the Bolivarian Republic of Venezuela.

19. The impact of the ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation, shorter clearance times, and availability of timely and reliable trade statistical data. The consistent enforcement of the customs and related legislation nationwide and the automatic calculation of duties and taxes result in increases in State revenue, and reliable and timely trade and fiscal statistics assist governments in planning their economic policy. It is likely that ASYCUDA's latest system will have a major impact on e-business and e-government transactions, making international trade simpler and cheaper while making international markets more accessible to enterprises from developing countries. An important factor in the success of the projects is the willingness to change, and the commitment and full support of the governments.

## II. Research and analysis on transport and trade facilitation

### **Box 2. Accra Accord paragraphs on technical assistance related to transport and trade facilitation**

164. In the area of trade facilitation, transport and related services of interest to developing countries, UNCTAD should continue to analyse issues that affect the trade and transport of developing countries and international supply-chain security. It should also disseminate its analyses and relevant information, and promote the exchange of experiences.

165. UNCTAD should undertake research to develop policy recommendations that will enable developing countries to cut transport costs and improve transport efficiency and connectivity. The research should pay special attention to the needs of the most vulnerable economies, and in particular to the development and implementation of coherent transit systems that will benefit landlocked developing countries and transit developing countries, taking into account the Almaty Ministerial Declaration and Programme of Action. Attention should also be paid to the promotion of multimodal transport.

168. Through its research and policy analysis, UNCTAD should help developing countries make informed policy choices to address the environmental challenges in relation to transport strategies, and to help identify associated capacity-building needs and appropriate regulatory responses.

20. In accordance with the above-mentioned mandates, UNCTAD also carried out substantive research and analytical work on a wide range of economic, policy, legal and regulatory issues and related developments affecting the transport and trade of developing countries. In 2010, the results of the research and analytical work carried out and statistics compiled were broadly disseminated by way of the annual *Review of Maritime Transport*. The 2010 edition of the *Review of Maritime Transport* covered developments affecting, among other issues: (a) international seaborne trade; (b) world fleet, including registration and ownership; (c) ports and cargo throughput; and (d) regulatory and legal developments in the field of transport and trade. In the 2010 edition, economic and maritime transport developments in Asia and the Pacific were the focus of a special regional chapter, which also included issues of particular interest to landlocked countries. In addition to relevant statistical data from 2009 and 2010, this edition expanded upon the historical time series, which are of particular interest for assessing trends and patterns with a view to informing the decisions of policymakers when designing national transport policies and elaborating related strategies.

21. Relevant regulatory and legal developments in the field of transport and trade reported in the *Review of Maritime Transport 2010* included, in particular: (a) the ongoing negotiation at the International Maritime Organization (IMO) of an international regime to mitigate carbon emissions from international shipping; (b) the adoption of the April 2010 Protocol to the 1996 HNS Convention; and (c) standard-setting activities and other measures in the field of maritime and supply-chain security, under the auspices of WCO, IMO and ISO, and also at the national and regional level. Building on the analysis carried out, the results of UNCTAD's work in the field were also incorporated into the United Nations Secretary-General's "Oceans and the law of the sea" report and General Assembly resolution 63/214 entitled "Towards the sustainable development of the Caribbean Sea for present and future generations".

22. Another channel that is used to publicize work undertaken by UNCTAD and to disseminate the results of research and analytical work carried out is the quarterly online *Transport Newsletter*, which has over 3,000 subscribers worldwide. It features topical articles, and provides a platform for UNCTAD and others interested in the field of transport and trade facilitation to share insights and views. Some of the topics covered in 2010 were (a) trade facilitation, including regional trade agreements and reforms through sustainable partnerships; (b) the high level of vulnerability of LLDCs to external shocks; (c) ASYCUDA updates; (d) a trade facilitation project in Pakistan; (d) support to LLDCs during the negotiations on trade facilitation at WTO; (e) transport services trade; (f) port cities; (g) transport links between Europe and Asia; (h) air transport networks; (i) climate change impacts on international transport networks; and (j) supply chain security.

23. In addition to its recurrent publications, the results of UNCTAD's research and analytical work are disseminated in the form of non-recurrent publications, studies and reports. In the period under review, significant progress was made with respect to ongoing research and policy analysis aimed at helping developing countries formulate knowledgeable decisions to address the environmental challenges in relation to transport strategy and to help identify the associated capacity-building needs and appropriate regulatory responses. More specifically, research and analytical work that examines aspects of the international regulatory framework dealing with liability for ship-source oil pollution is culminating in a report which is currently under way. The report will provide an analytical overview of the complex legal framework for ship-source oil pollution, with a view to assisting policymakers – particularly in developing countries – to assess the benefits and challenges associated with adopting and implementing the relevant international legal instruments regarding ship-source oil pollution.

24. Responding to the mandate in paragraph 168 of the Accra Accord on addressing environmental challenges in relation to transport strategies, further work has been undertaken in relation to the climate change challenge. Building on earlier work – namely the first session of the Multi-year Expert Meeting on Transport and Trade Facilitation held in February 2009, the focus of which was "Maritime transport and the climate change challenge" – an edited volume of papers by speakers at the meeting and by some other expert contributors is currently in preparation and is due to be published by Earthscan in late 2011.

25. Two studies contributing to UNCTAD technical assistance in the area of trade facilitation negotiations were finalized in 2010. The study entitled *Reflections on a Future Trade Facilitation Agreement – Implementation of WTO Obligations: A Comparison of Existing WTO Provisions* and the revision of the *Trade Facilitation Handbook Part II: Technical Notes on Trade Facilitation Measures* directly relate to the ongoing negotiations on trade facilitation at WTO. The second study (i.e. the revision of the trade facilitation technical notes) has become necessary in order to take into account the progress made in the negotiating process. For many of the topics discussed in the negotiations at WTO, the

revised Handbook Part II now provides technical and practical information on the concepts used and summarizes best practices. It is a practical tool for Geneva-based and capital-based negotiators in these negotiations, and it also provides initial guidance on issues to consider during the implementation phase. These two documents provide substantive assistance to delegations involved in the negotiating process on trade facilitation. Actually, some proposals currently under discussions are based on the elements of reflection included in the two papers.

26. It should be mentioned here that since 2010, the Liner Shipping Connectivity Index (LSCI) has been published via UNCTAD's UnctadStat, and it receives good feedback. For instance, the LSCI has been included in calculating the World Economic Forum's 2010 Enabling Trade Index, and international research on trade and its transport is progressively incorporating the LSCI among the explanatory variables. A comparison between the LSCI and the World Bank's Logistics Performance Index shows a high positive correlation between the different components of the two indices.

27. Developing countries' share in exports of manufactured goods has increased intermittently over the last decades, and therefore the old "geography of trade", whereby the South would provide raw materials and the North would sell finished products to the South, is no longer applicable, as developing countries are increasingly participating in globalized supply chains. Most of the trade in manufactured goods is transported by containerized liner shipping services that connect seaports with each other through a global liner shipping network.

28. Within the Doha Development Round at WTO, and in the current phase of the negotiations, UNCTAD's activities are focusing above all on capacity-building support and advisory services. Whereas at the beginning of the negotiations UNCTAD mainly organized and contributed to awareness-raising and training seminars, lately UNCTAD has moved towards more tailor-made national and regional cooperation, including institutional capacity-building support. UNCTAD has also continued the development and updating of technical material on selected trade facilitation issues. Developing countries and donor member States have recognized, on several occasions, the importance and relevance of the assistance provided by UNCTAD in this field.

### **III. Intergovernmental and consensus-building activities**

29. UNCTAD cooperates with a range of entities sharing a common interest in transportation and related issues, including within the context of sustainable development. Its partners include the United Nations Office of Legal Affairs, IMO, the United Nations Environment Programme, and the United Nations Economic Commission for Europe (UNECE). For example, UNCTAD actively participated in a number of UNECE meetings, including the Inland Transport Security Forum, the UN/CEFACT Trade Procedures Working Group (TPWG 15) held in February 2010, and the UNECE Working Party on Intermodal Transport and Logistics held in October 2010.

30. Another noteworthy recent collaborative initiative is the joint UNCTAD–UNECE workshop on Climate Change Impacts on International Transport Networks, which was held in September 2010. This initiative was held in the spirit of the United Nations "delivering as one" on the climate change challenge, and responds to the mandate provided in Accra Accord paragraph 168. Accordingly, the aim of the workshop was to help raise awareness about the challenges that climate change impacts and adaptation requirements present for international transportation infrastructure and services – a complex set of issues that has so far received little attention. An immediate concrete outcome of this workshop was the approval by the UNECE Inland Transport Committee, at its seventy-third session



held in March 2011, to establish an expert group to further study the impact of climate change and the related adaptation requirements on international transport networks. The expert group will be established for a period of two years – under a sharpened mandate and the auspices of the Working Party on Transport Trends and Economics (WP.5). As appropriate and according to its mandate, UNCTAD will leverage its long-standing expertise in the field of transport and trade logistics to contribute as appropriate to any relevant work to be carried out by the new expert group established by the UNECE Inland Transport Committee. Following up on the work carried out in relation to the UNCTAD–UNECE workshop, an UNCTAD ad hoc expert meeting on the impacts of climate change on transport is being planned for September 2011.

31. In December 2010, the third session of the Multi-year Expert Meeting on Transport and Trade Facilitation was held. Its focus was “Emerging challenges and recent developments affecting transport and trade facilitation”. The session covered a broad range of areas, including economic (e.g. the financial crisis); energy-related (e.g. fuel prices); environmental (e.g. climate change); political (e.g. security); regulatory (e.g. international conventions and multilateral/regional agreements in transport and trade facilitation); and technological (e.g. information and communications technologies). Experts made several proposals regarding the role that UNCTAD could play in expanding or deepening its work in different areas.

32. As part of the above-mentioned session, the ASYCUDA programme led discussion on the use of ICTs in logistics, trade facilitation and supply chain security, with contributions from WCO and from ASYCUDA-user countries.

33. An ad hoc expert meeting on trade facilitation in regional trade arrangements is scheduled to take place on 30–31 March 2011 in Geneva. The objective of this meeting is to suggest what the role of UNCTAD could be in helping developing countries to ensure coherence between regional and multilateral trade facilitation commitments. To achieve this objective, the meeting will focus on: (a) whether – and which of – the trade facilitation measures arising from developing countries’ multiple memberships in various regional trade arrangements are discriminatory; and (b) discussing the degree to which there is convergence between regional trade facilitation measures and the relevant existing and future multilateral rules under WTO.