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**THEMATIC AND CROSS-CUTTING ISSUES AND ASIA-PACIFIC PERSPECTIVES ON  
SELECTED ECONOMIC, ENVIRONMENTAL AND SOCIAL DEVELOPMENT ISSUES TO  
BE ADDRESSED AT MAJOR GLOBAL FORUMS IN 2008: COUNTRIES WITH SPECIAL  
NEEDS: LEAST DEVELOPED COUNTRIES, LANDLOCKED DEVELOPING  
COUNTRIES AND SMALL ISLAND DEVELOPING STATES**

(Item 2 (d) of the provisional agenda)

**EMERGING ISSUES IN THE IMPLEMENTATION OF THE ALMATY  
PROGRAMME OF ACTION**

*Note by the secretariat*

**SUMMARY**

The present document outlines the five priority areas of the Almaty Programme of Action and provides a brief overview of the issues encountered in its implementation in the ESCAP region.

These issues will be further deliberated at the expert group meeting to be organized prior to the sixty-fourth session of the Commission. The resulting outcome document will be presented to the Commission at its sixty-fourth session for its consideration

The final outcome document incorporating the views of the Commission will be made available to the global midterm review of the Almaty Programme of Action, which is scheduled to be held in New York, in November 2008.

The Commission is invited to provide the secretariat with further guidance on the midterm review of its future work in implementing the five priority areas of the Almaty Programme of Action.

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## I. INTRODUCTION

1. The Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries was adopted in 2003 as a comprehensive global programme addressing fundamental transit transport and trade and trade facilitation issues for landlocked and transit developing countries. The General Assembly, in its resolution 61/212 on groups of countries in special situations, entitled “Specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation”, called for the holding of a midterm review of the Almaty Programme of Action in 2008. It stated that the review should be preceded, where necessary, by national, subregional, regional and substantive preparations in a most effective, well-structured and broad participatory manner.

2. The United Nations regional commissions, among others, were mandated to assist in the midterm review at the regional level. Thus, in conjunction with inputs from member countries, the ESCAP secretariat is preparing a progress report that will present an overview of the current status of implementation of the Almaty Programme of Action in the five priority areas and the issues to be addressed further. The secretariat plans to organize an expert group meeting in order to review the progress on key policy findings. The finalized outcome document incorporating the views of the Commission will serve as an input to the midterm review, which is scheduled to be held in New York, in November 2008.

3. The present document outlines the five priority areas and presents an overview of the issues encountered in the implementation of the Almaty Programme of Action in the ESCAP region for the consideration of the Commission at its sixty-fourth session.

## II. ENHANCING THE INTEGRATION OF LANDLOCKED DEVELOPING COUNTRIES INTO THE GLOBAL AND REGIONAL ECONOMIES

### A. Priority 1: Fundamental transit policy issues

4. Harmonizing the legal regimes on transport facilitation is a prerequisite for enhancing international trade and transport. The Commission, in its resolution 48/11 on road and rail transport modes in relation to facilitation measures, recommended that the countries in the region consider the possibility of acceding to seven international conventions relating to transport facilitation, which, once implemented, would provide for a minimum level of harmonization. Accession to those conventions by the landlocked countries of the ESCAP region presents a mixed picture, with two countries having ratified all the conventions and another two not having ratified any of them. Accession is of significant importance in this regard as territorial discontinuity drastically reduces the

benefits brought about by these conventions. However, accession alone is not enough to facilitate transit transport; these instruments must be effectively and efficiently implemented in order to produce positive effects on economies.

5. Greater awareness and understanding of the implications of accession to the international conventions are needed if countries are to accelerate the level of accession and, even more importantly, the effective implementation of these conventions. This in turn requires capacity-building among policymakers and administrators involved in the negotiation and implementation of such international legal instruments. The secretariat has engaged, individually and with other development partners, in several initiatives relating to capacity-building. In this regard, it has conducted training workshops and advisory services in landlocked countries (Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, the Lao People's Democratic Republic, Mongolia and Tajikistan) and transit developing countries (Cambodia and Thailand).

6. Subregional agreements contribute to the harmonization of legal regimes in transport facilitation and can be stepping stones towards the international harmonization of standards and processes. The secretariat, in cooperation with the Shanghai Cooperation Organization and the Asian Development Bank (ADB), is providing technical and financial support for the negotiation of an agreement among the member States of the Shanghai Cooperation Organization, four of which are landlocked countries, on the facilitation of international road transport based on a secretariat study on the potential benefits of that agreement. The prime ministers of the member States of the Shanghai Cooperation Organization have called upon the parties concerned to accelerate the formulation of the agreement and a memorandum of understanding has been signed by the member States in order to accelerate the negotiations. The main text of the agreement is expected to be completed in June 2008.

7. Transit traffic fees are another important issue in transit transport. In cooperation with ADB, the secretariat undertook a study on transit traffic charges for the members of the Greater Mekong Subregion, which resulted in the signing of a protocol to the Greater Mekong Subregion Agreement on Facilitation of Cross-border Transport of Goods and People. The secretariat, in cooperation with ADB, provided advisory services to the Lao People's Democratic Republic in determining the level of charges.

8. In December 2007, ESCAP and the United Nations Conference on Trade and Development (UNCTAD) finalized a two-year joint project on capacity-building in trade and transport facilitation for landlocked and transit developing countries, involving the Lao People's Democratic Republic and Thailand. The project will enable the two countries to improve the efficiency of their trade and transport facilitation functions through the establishment of local trade and transport facilitation clusters. A web-based transit monitoring system for the region is also being established with assistance from ESCAP.

9. The ESCAP time/cost-distance methodology was developed during the regional preparation for the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, which was held in Almaty, Kazakhstan on 28 and 29 August 2003. In its resolution 60/1 (2005 World Summit Outcome) 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 of the implementation of the Almaty Programme of Action. Accordingly, ongoing initiatives, including the ESCAP time/cost-distance methodology, should be further developed and harmonized in order to design broadly acceptable indicators to measure progress made in establishing efficient transit transport systems and monitor the implementation of the Programme of Action.

10. In 2007, the ESCAP time/cost-distance methodology and the templates for the users were revised in order to improve ease of use and respond to feedback from developing countries in the region. The revised methodology and the accompanying user guides were combined in a tool kit, which was distributed to the countries agreeing to apply the model: Afghanistan, Armenia, Azerbaijan, China, the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan, Turkmenistan and Uzbekistan. The following countries have completed or are in the process of applying the methodology: the Lao People's Democratic Republic, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan and Thailand. The methodology was translated into Russian for the benefit of the Central Asian countries and into Arabic and French owing to the interest expressed by countries falling under the purview of the Economic and Social Commission for Western Asia and the Economic Commission for Africa.

#### **B. Priority 2: Infrastructure development and maintenance**

11. Progress has been achieved in the development of regional, interregional and subregional transport infrastructure networks, including the Asian Highway and Trans-Asian Railway networks, Euro-Asian transport linkages and road and rail networks in the United Nations Special Programme for the Economies of Central Asia.

12. The Intergovernmental Agreement on the Asian Highway Network, covering 141,000 kilometres of highways in 32 countries, was adopted in Bangkok, on 18 November 2003, and entered into force on 4 July 2005. As of 18 December 2007, the Intergovernmental Agreement on the Asian Highway Network had been signed by 28 countries; 22 countries, including 9 landlocked countries, have become parties to the Agreement.

13. Thus far, 22 member States have signed the Intergovernmental Agreement on the Trans-Asian Railway Network, and three countries have become Parties to the Agreement, which is expected to come into force by mid-2008.

14. An ESCAP study<sup>1</sup> estimated that, over the period to 2010, the investment required for infrastructure development in the Asian and Pacific region would be about \$608 billion annually. With the actual investment in recent years being \$388 billion annually, the region thus faces an annual shortfall in investment of \$220 billion; of that amount over \$83 billion is needed annually for the transport sector. ESCAP countries have already committed about \$25 billion for investment in developing and upgrading Asian Highway routes. An additional \$18 billion is required for upgrading the remaining 26,000 kilometres of the Asian Highway. About 10,000 kilometres of the Asian Highway has been upgraded in order to meet minimum standards, and other sections have been upgraded to higher standards during the period 2005-2006.

15. Similarly, member States are working with the ESCAP secretariat in identifying important needs and development priorities for the Trans-Asian Railway network and in promoting intermodal interfaces.

16. Under the United Nations Development Account project on capacity-building in developing interregional land- and land-cum-sea transport linkages, participating countries, with the assistance of the Economic Commission for Europe and ESCAP, have identified a set of Euro-Asian transport linkages that provide eight landlocked countries in the region with transport connections to Europe and Asia. Data on infrastructure and services along these routes have been collected and consolidated into a geographic information system (GIS) database, which can be utilized by member countries for policy planning and analysis.

17. The Project Working Group on Transport and Border Crossing, at meetings held under the framework of the United Nations Special Programme for the Economies of Central Asia (SPECA), adopted the maps of that programme's road and rail networks; all seven members of that programme are landlocked countries. That group is also working on the development of five transport databases.

18. In parallel with these developments, the secretariat continued to work towards the development of an integrated international intermodal transport networks in Asia through the planning and implementation of demonstration runs of container block-trains along the northern corridor and other corridors of the Trans-Asian Railway network. Thus far, four demonstration runs have taken place from the port of Tianjin, China, to Ulaanbaatar; from the port of Lianyungang, China, to Almaty, Kazakhstan; from Brest, Belarus, to Ulaanbaatar; and from Nakhodka, Russian Federation, to Malaszewicze, Poland, during the period 2003-2004. The successful implementation of the demonstration runs has been mirrored by encouraging results in landlocked developing countries. There has been a rise in the number of international block-train services operating in Central Asia and Mongolia in particular.

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<sup>1</sup> *Enhancing Regional Cooperation in Infrastructure Development Including that Related to Disaster Management* (United Nations publication, Sales No. 06.II.F.13).

### **C. Priority 3: International trade and trade facilitation**

#### **1. International trade**

19. While accession to the World Trade Organization (WTO) is one of the most important objectives in the trade policies of 8 out of the 12 Asian landlocked developing countries that have yet to obtain member status with the Organization, the accession of those countries that are in transition to market economies has been slowed down by the long processes involved. Despite the obvious struggle of those landlocked developing countries to prepare their economies to meet the standards required for WTO membership, generally no special consideration is given to such countries. In addition, those countries do not automatically get the benefits granted to other developing countries that are members of the Organization, despite the fact that their economic performance scores are often lower than those of a typical developing country. The lack of progress in negotiating the Doha Development Agenda towards a successful conclusion, combined with the rising pressure for achieving preferential trade liberalization, have also caused a weakening in the demand for membership in WTO among those countries.

20. In terms of market access in accordance with the Monterrey Consensus of the International Conference on Financing for Development, the existence of easy (free of barriers) and predictable access to markets for the exports of the landlocked developing countries and the transit developing countries is a condition sine qua non for using trade as an engine for fostering and sustaining economic growth in those countries. The current WTO negotiations under the Doha Development Agenda are tasked with reducing market barriers in accordance with the needs and interests of those countries. The previously mentioned progress report provides more detail on the extent of market access that the Asian landlocked developing countries and the transit countries have in the markets of developed countries and those within the region. At the aggregate level, it appears that Asian landlocked developing countries have been granted close to full duty-free access in the developed markets (for all products except armaments). However, the degree of access for those landlocked countries that are least developed countries is much lower, in contrast to what would be expected given the various international commitments and pledges that cover such access. Also, a more disaggregated analysis would indicate that the current structure of protection in the export markets may not provide sufficient incentives for making production in the landlocked developing countries more sophisticated. However, the regional preferential trade agreements, despite being relatively large in number, are not providing substantially better market opportunities.

#### **2. Trade facilitation**

21. Cumbersome border-crossing procedures, customs formalities, documentary requirements, inadequate infrastructural facilities and costly bank transactions are major causes of the delays and inefficiencies in the international trade transactions faced by landlocked developing countries. In a

survey taken in 2007,<sup>2</sup> the 12 Asian landlocked developing countries rank at the very bottom of the 178 countries surveyed concerning their export and import procedures.<sup>3</sup>

22. Streamlined and harmonized trade information flows are a cornerstone for exchanging data through electronic one-stop systems, better known as “single-window” systems. The majority of the Asian landlocked developing countries have undertaken trade facilitation measures aimed at simplifying trade regulations, procedures and documents. However, the real situation is far from satisfactory, as the lack of harmonization of trade regulations and documentary requirements with international standards, such as the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures of the World Customs Organization, the United Nations Layout Key for Trade Documents and the United Nations Trade Data Elements Directory, is very limited.

23. Single-window systems using information and communications technology (ICT) applications can reduce paperwork tremendously, as well as the time and costs involved in conducting international trade. Almost all sea-linked countries in the Asian and Pacific region operate sophisticated electronic single-window systems.<sup>4</sup> For landlocked countries, the adoption of such ICT-enabled trade facilitation measures is vital to their transformation into “landlinked” countries, because the electronic exchange of trade data can compensate for physical distance. Therefore, it is encouraging to note that some landlocked developing countries have already taken their first steps towards setting up similar electronic one-stop facilities.<sup>5</sup>

#### **D. Priority 4: International support measures**

24. The secretariat has been implementing several projects targeting landlocked developing countries and transit developing countries. One such interdivisional project promoted an integrated approach to trade and transport facilitation. It targeted six landlocked countries in Central Asia and the Lao People’s Democratic Republic, and assisted them in establishing national coordination mechanisms for trade and transport facilitation. As one of the outcomes of this project, national trade and transport facilitation committees were established in Kyrgyzstan and Mongolia.

25. ESCAP and the Economic Commission for Europe jointly launched the United Nations Regional Network of Experts for Paperless Trade, which is aimed at building a critical mass of expertise for the purpose of simplifying and harmonizing trade documents and facilitating the migration to paperless trade. The objective of the network is to provide less advanced countries with

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<sup>2</sup> The “Doing Business” survey of the World Bank, which has been carried out annually since 2003, uses several front-end indicators, including the number of documents required to export and import goods, the number of signatures needed for the same purpose, the time and the cost expended on exporting, and importing cargo. The documents concerned include port filing documents, customs declarations and clearance documents as well as official documents exchanged between the parties concerned.

<sup>3</sup> Singapore and Hong Kong, China, ranked in first and third places respectively globally.

<sup>4</sup> For example, Japan, the Republic of Korea, Singapore, Malaysia and Hong Kong, China, all have such systems already in place.

<sup>5</sup> These include Azerbaijan, the Lao People’s Democratic Republic, Kyrgyzstan and Mongolia.

technical expertise and to transfer the knowledge needed for the implementation of ICT-enabled solutions in support of trade facilitation. The activities of the network will be carried out under a new United Nations Development Account project, which will be implemented jointly by ESCAP and the Economic Commission for Europe in the period 2008-2011, for the benefit of landlocked and transit developing countries. The network would operate under the proposed Asia-Pacific forum for efficient trade in promoting cooperation and forging public-private partnerships and the harmonization of trade regulations in order to ensure trade efficiency.

**E. Priority 5: Implementation and review: preparations for the midterm review of the Almaty Programme of Action**

26. At its sixty-first session, the Commission adopted resolution 61/11 on the Almaty Programme of Action, which has guided the secretariat's work in this area. The secretariat has also worked closely with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and other development partners in the implementation of the APA.

27. At its sixty-third session, the Commission adopted resolution 63/5 on the midterm review of the implementation of the Almaty Programme of Action, in which it requested the secretariat to contribute to the organization of thematic meetings on transit infrastructure. ESCAP subsequently contributed to a thematic meeting on transit transport infrastructure development in landlocked developing countries, held in Ouagadougou, from 18 to 20 June 2007, and coorganized a global event of landlocked developing countries and transit countries on trade and trade facilitation, which is to be held in Ulaanbaatar, from 28 to 31 August 2008

28. The secretariat has also requested the landlocked countries in Asia to provide inputs on national-level implementation in response to a structured questionnaire on the five priority areas of the Programme of Action. The information received will be included in the progress report being prepared by the secretariat for the expert group meeting to be held in Bangkok shortly before the sixty-fourth session of the Commission.

29. In further implementing the Almaty Programme of Action, the secretariat proposes the following actions:

(a) Promote the transport corridor concept and assist countries in formalizing their cooperation along the transport corridors in order to make the Asian Highway and Trans-Asian Railway operational;

(b) Continue organizing workshops and providing training on legal regimes on transport facilitation, with a view to assisting countries in their efforts towards harmonizing legal regimes;

(c) Assist countries in organizing subregional and regional meetings of national coordination mechanisms;

(d) Continue providing technical and financial support for the negotiation of an agreement among the member States of the Shanghai Cooperation Organization, four of which are landlocked countries, on the facilitation of international road transport;

(e) Continue organizing demonstration runs of container block-trains, including on the southern corridor of the Trans-Asian Railway and from Port Klang, Malaysia, to Phnom Phen (if a currently missing link is put in place);

(f) In collaboration with WTO and UNCTAD, continue carrying out technical assistance activities in helping the countries concerned to accede to WTO. A European Community-funded project involving the accession of Bhutan to WTO is being implemented, while two project proposals addressing WTO accession issues of Central Asian countries and Nepal are under preparation. The emphasis will be on government-to-government sharing of accession experiences and strengthening cooperation among this group of countries;

(g) Organize activities aimed at improving the awareness of the benefits associated with membership in the Asia-Pacific Trade Agreement, as a vehicle for fostering the integration of developing economies into those of countries with rapidly growing economies, such as China and India. Countries which expressed an interest in joining the Asia-Pacific Trade Agreement, such as Kazakhstan, Mongolia and Tajikistan, may find useful the analytical and advisory work undertaken by the secretariat in this area;

(h) Organize a number of training programmes and advocacy seminars and offer advisory services under the WTO/ESCAP Technical Assistance Programme and a project funded by Macao, China, on establishing a regional trade policy knowledge hub on the Doha negotiations. Furthermore, the Asia-Pacific Trade and Investment Agreements Database is being further enhanced in order to enable easier tracking and assessment of the signed preferential trade agreements of the region, including landlocked developing countries and transit developing countries;

(i) Continue assisting member States in becoming more effectively integrated into the regional and global economies and in strengthening their efforts to accede to WTO;

(j) As part of the SPECA Working Group on Trade, the secretariat will work closely with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, other relevant agencies and the research community on developing an appropriate sets of indicators to enable comparative and meaningful measurement of the progress being made in the implementation of the Almaty Programme of Action. It would also assist developing countries to enhance their market access and the effective use of trade agreements for trade creation, among other purposes;

(k) Assist in conducting the analytical work required for the midterm review and provide the landlocked developing countries with advisory services on implementation of the Almaty Programme of Action;

(l) Continue providing the landlocked developing countries with assistance in building their capacity in implementing trade facilitation policies and measures, utilizing various tranches of the United Nations Development Account for the following purposes:

- (i) Offer assistance on issues related to the Doha round of trade facilitation negotiations;
- (ii) Build public-private partnerships for the effective implementation of trade facilitation measures;
- (iii) Promote the use of and assist with the implementation of international conventions, standards and best practices in trade facilitation, including single-window facilities;
- (iv) Establish an Asia-Pacific forum on efficient trade that encompasses competency networks in order to create and use electronic trade documentation aligned with United Nations standards.

### **III. ISSUES FOR CONSIDERATION**

30. The Commission is invited to provide the secretariat with guidance on the midterm review of the Almaty Programme of Action and on ESCAP activities relating to its further implementation.

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