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Economic Commission for Europe

Inland Transport Committee

Working Party on Transport Trends and Economics

Thirty-second session

Geneva, 2–4 September 2019

Item 3 of the provisional agenda

**Workshop on quantifying transport costs
for landlocked developing countries**

**Programme for the Workshop on quantifying transport costs
for landlocked developing countries
(2 September 2019, 10.00-13.00)**

Note by the Secretariat



Workshop – Quantifying transport costs for landlocked developing countries

Held in conjunction with the 32nd Session of the Working Party on Transport Trends and Economics (WP.5) (Geneva, 2-4 September)

**Palais des Nations, Geneva
2 September 2019 (10.00-13.00)**

BACKGROUND

The world's 32 Landlocked Developing Countries (LLDCs) include some of the poorest countries in the world, including 17 Least Developed Countries (LDCs). Lack of territorial access to the open sea, make LLDC's sea borne trade unavoidably depend on transit through other countries and on the cost of transit, which in turn may impose constraints to these countries' socio-economic development.

Every continent, except North America and Oceania has landlocked countries. Collectively, LLDCs account for nearly 13 per cent of the earth's land area. However, in terms of economic activity and global trade, most LLDCs remain largely marginalized. In 2018, the common GDP of all 32 landlocked developing countries together accounted for only some 2.5 per cent of that of the group of developing countries, and only for 0.93 per cent of global GDP (World Bank).

Research shows that LLDCs tend to be at a significant economic disadvantage compared to their non-landlocked neighbours due to higher than average transport costs (both for exports and imports) and limited integration into the global economy because of their geographic remoteness. More specifically, LLDCs have transport costs which are on average 50% higher than developing countries that have access to the open sea. If containerized imports are considered, LLDCs have costs that are 85% higher than the world average. As a result, LLDC exports are less competitive and the average LLDC has less than 40% of the trade volume of the average coastal country.

For, landlocked developing countries, the following issues are particularly prevalent and tend to result in significantly higher transport costs thereby extending LLDC's 'economic distance' to the international markets:

- Longer geographic distances for cargo transportation (by road, rail and IWW) to the nearest sea ports often connected with poor and/or scarce or underfinanced transport infrastructure construction, maintenance and renewal.

- Time losses at border crossings/ inefficiencies in border crossing procedures.
- Cumbersome administrative requirements (both domestically and in transit countries) for import and export.
- Additional trade transaction costs in transit turning LLDC transport costs significantly higher than coastal countries.

In response to these challenges, the Vienna Programme of Action (VPoA) for LLDCs for the decade 2014 to 2024 was adopted as a holistic, ambitious and results-oriented programme to address the special development needs of the LLDCs. Being able to monitor transport costs incurred by LLDCs is considered essential to take stock of the state of the implementation of the VPoA. The workshop is co-organized by UNECE and the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS). It is being held in conjunction with the 32nd Session of the Working Party on Transport Trends and Economics.

WORKSHOP OBJECTIVES

The aim of the workshop will be to take stock of different approaches and methodologies to calculate “actual” transport costs, assess them against potential methodological gaps and explore whether there is a need (as well as a demand) for the development of a universal model that could be utilised by countries and organizations for calculating transport costs.

To this end, LLDC representatives from across the globe will be invited to present specific case studies as to how they go about calculating their “actual” transport costs. Representatives of the UNECE, Islamic Development Bank, World Bank, UNCTAD and other relevant players will present on ongoing/ planned regional or sub-regional ‘transport cost assessment’ pilot initiatives. Based on the outcome of the discussion, in particular regarding the development of the universal model, tailored policy measures for lowering specific transport category costs could be formulated.

EXPECTED OUTCOME

Concrete recommendation on a model to calculate transport costs will be suggested that can be used to calculate LLDC’s transport costs and used for monitoring the VPoA and for advocacy purposes. The meeting is also expected to provide substantial inputs to the deliberations of the forthcoming High-Level Comprehensive Midterm Review on the Implementation of the Vienna Programme of Action to be held in New York in December 2019.

TARGET AUDIENCE

The workshop will bring together mid to senior level government representatives engaged in transport, transit, customs and border crossing policy development, as well as private sector representatives (importers, exporters and freight forwarders), researchers and academia.

Participation is open to representatives from all 32 LLDCs around the world as well as from regional organizations that work with LLDCs.

THEMATIC SESSIONS

2 September 2019 (10.00-13.00)

➤ **PANEL DISCUSSION – Transport cost quantification for LLDCs: challenges and opportunities**

Selected topics:

- Analytical parameters – identification, categorization and quantification of LLDC transport costs (i.e. soft and hard infrastructure, measuring economic distance, assessing efficiency of administrative processes etc.)
- Overview of available transport cost quantification models and approaches

➤ **ROUND-TABLE – National LLDC experiences in quantifying transport costs**

Selected topics:

- Country statements and presentations on what works, what does not work and why
- Discussion, Q&A

➤ **WAY FORWARD – Towards a possible unified approach in quantifying transport costs for LLDCs**

- Formulation of recommendations to further strengthen transport cost quantification models for landlocked countries by the international community, including by WP.5

REGISTRATION

Delegates are requested to [register online](#) or to complete the [registration form](#) available for download at the UNECE Sustainable Transport Division's website. The latter should be transmitted to the UNECE secretariat two weeks prior to the session by e-mail (maria.mostovets@un.org). Delegates should obtain an identification badge at the UNOG Security and Safety Section, located at the Pregny Gate, 14, Avenue de la Paix. A map of the Palais des Nations is available [here](#).