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Progress report on promoting and strengthening synergies among the three pillars related to transport and trade facilitation and cross-divisional capacity-building*

Note by the UNCTAD Secretariat

I. Introduction on transport and trade facilitation

1. UNCTAD continues to assist developing countries in addressing the persistent and emerging challenges that undermine their effective integration into the global transport and trading networks. Its activities in the field of transport and trade facilitation are articulated around its three pillars of work and, to the extent possible, build on the prevailing synergies among these pillars. For example, a number of UNCTAD's capacity building initiatives are directly linked to its consensus building work as has been illustrated in the area of trade facilitation negotiations. Equally, various research and analytical activities are carried out in view of meetings in order to inform the relevant deliberations while others are conducted as a follow up to the recommendations and the conclusions adopted at these meetings. Often, research work builds upon contributions from expert meetings as has been the case for the work pertaining to emerging challenges affecting in international maritime transport (e.g. climate resilient transport, energy and freight transport sustainability). Various UNCTAD's studies also report on the results and experiences gathered from field projects while the data and insight obtained from UNCTAD's research are in many cases fed into its capacity building programmes such as, for example, those related to trade facilitation, transit and infrastructure financing.

2. The Doha Mandate provides a clear mandate for UNCTAD in the area of transport and trade facilitation, covering all three pillars, notably in paragraphs 18 (i), (j), 31 (l), 45, 47, 48 and 56 (h), (i) and (j) (see box).

Doha Mandate paragraphs related to transport and trade facilitation

18: UNCTAD remains the focal point in the United Nations for the integrated treatment of trade and development, and interrelated issues in the areas of finance, technology,

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investment and sustainable development. UNCTAD should continue to work within its mandate – through its three pillars, delivering meaningful results, utilizing available resources, while enhancing synergies and promoting complementarities with the work of other international organizations. In this regard, UNCTAD should: (...)

(i) Further address the special trade, investment and development needs of landlocked developing countries (LLDCs), including through continuing its support for effective implementation of the Almaty Ministerial Declaration and 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, and its review in 2014, taking into account the challenges of the transit developing countries in this programme of action;

(j) Continue its work in helping SIDS to address persistent trade, investment and development challenges that they encounter, including by contributing to ongoing United Nations-level discussions on the further implementation of the Barbados Programme of Action and the Mauritius Strategy for the sustainable development of SIDS;

31. In accordance with paragraph 18, UNCTAD should: (...)

(l) Continue technical assistance, research and analysis, and dialogue on trade facilitation, transport and related issues;

45. Development of infrastructure, physical and soft, has a strong impact on production and trade and on attracting foreign direct investment (FDI). In this regard, in recent years, the participation of the private sector has increased. Governments continue to play an essential role as both providers and regulators of infrastructure and other public services. New approaches should be explored to help tackle persistent challenges facing many developing countries, particularly LLDCs, including high transport and commercial transaction costs, and weak logistical capacities. These challenges, many of which are also shared by some countries with economies in transition, are compounded by other factors, such as volatile energy prices.

47. LLDCs usually pay the highest transport and transit costs, as recognized in the Almaty Programme of Action. Lack of access to the sea, remoteness from major markets, inadequate transit facilities, cumbersome customs and border-crossing procedures, regulatory constraints, as well as weak legal and institutional arrangements, undermine the efforts of LLDCs to build their productive capacities and to be competitive in world markets. These structural and geographical handicaps preventing LLDCs from fully harnessing the potential of trade as an engine for sustained economic growth and inclusive development need to be addressed, including through continued international and national efforts to implement the Almaty Programme of Action. Attention should also be paid to the challenges of transit developing countries, in particular in the development and maintenance of efficient transit and transport systems. Implementing trade facilitation measures regionally and multilaterally can also play a major role in helping LLDCs and other developing countries overcome these challenges.

48. When it comes to transport and trade logistics, SIDS are also disadvantaged due to their remoteness and geographical isolation. In a globalizing world, logistics costs and non-tariff barriers have become key factors in the overall competitiveness of SIDS. Low transport volumes and long distances typically add up to high freight and logistics costs and low frequency of services, in terms of both maritime and air transport.

56. In accordance with paragraph 18, UNCTAD should: (...)

(h) Assist developing countries, particularly LLDCs and transit developing countries, and some countries with economies in transition, to address challenges affecting their participation in trade from geographical constraints, with a view to improving transport

systems and connections, designing and implementing resilient and sustainable transport systems, and enhancing transit infrastructure and trade facilitation solutions;

(i) Continue its work in the field of trade facilitation, including the Automated System for Customs Data programme;

(j) Advise SIDS on the design and implementation of policies addressing their specific trade and trade logistics challenges linked to their remoteness and geographical isolation;

II. Research and analysis on transport and trade facilitation

3. The 2013 edition of the *Review of Maritime Transport*, UNCTAD's oldest flag ship publication, provided the regular annual statistical update together with an in depth analysis of trends affecting various aspects of maritime transport and international trade, including demand for and supply of shipping services, markets and costs, ports as well as change in the regulatory framework. A special chapter on "Landlocked countries and maritime transport" gives an overview of recent progress made in understanding impediments to accessing sea-shipping services for the trade of goods between landlocked territories and overseas markets. In that respect the Review makes a proposal to deal with the challenges faced by such trade. This proposal, based on a conveyor-belt concept, aims at achieving a continuous supply of transit transport services, supported by institutional frameworks and infrastructure. Given the preparatory work now under way for the Review of the Almaty Programme of Action, this proposal could be part of a new agenda for landlocked and transit developing countries.

4. UNCTAD has also expanded the on-line provision of statistical data from the *Review of Maritime Transport*. Data on seaborne trade, port traffic, vessel registration and liner shipping connectivity is made available via UNCTAD's statistics portal.

5. The study *The way to the ocean*, which deals with issues related to transit corridors servicing the trade of landlocked developing countries (LLDC) was published in 2013. It calls, inter alia, for greater co-operation between LLDC and transit neighbours, and the development of corridor management arrangements.

6. Two substantive analytical reports focusing on the maritime piracy challenge were also completed in 2013: on *Maritime Piracy: an overview of trends, costs and trade-related implications* and on *Maritime Piracy: an overview of the international legal framework and of multilateral cooperation to combat piracy*.

7. Further building upon synergies between UNCTAD's pillars of work, UNCTAD has carried out a "Port-Industry Survey on Climate Variability and Change" to improve understanding of weather and climate-related impacts on seaports, assess data needs as well as current levels of resilience and preparedness among ports. The results will be disseminated through an analytical report to be published in 2014. This work will help provide the information required for risk-assessment and adaptation planning, including in particular for ports in developing regions.

8. In a study *The New Frontier of Competitiveness in Developing Countries: Implementing trade facilitation*, UNCTAD has consolidated the findings of 26 national Trade Facilitation implementation plans prepared in 2012 and 2013 as part of UNCTAD's technical assistance programme on trade facilitation. The analysis indicates that not only financial assistance is required for many trade-facilitation reforms: significant efforts in long-term sustainable capacities, technological and institutional infrastructure development, and training and reforms aimed at better governance will also be necessary. Developing

countries also need to carefully evaluate their specific requirements and available resources so that they can accurately plan the implementation of the trade-facilitation reforms.

9. National trade facilitation committees play an important role as a key mechanism for stakeholder consultations in trade facilitation reforms. 2013 in this respect was an important year for UNCTAD's work in this area, with inter alia, the launch (in September 2013) of the UNCTAD online repository: *Trade Facilitation Bodies around the world*. It contains information on more than 80 Trade Facilitation Committees and other institutional settings that aim at improving coordination and cooperation among private and public sector stakeholders involved in international trade.

10. 2013 marked the 10th anniversary of the publication of the UNCTAD's *Liner Shipping Connectivity Index* (LSCI), an index that captures how well countries are connected to global shipping networks and, consequently, how easily they access containerized trade. The index has become a global reference. UNCTAD's LSCI is increasingly incorporated in broader economic analysis and indicators, such as the WEF's Global Enabling Trade Report and ESCAP's new International Supply Chain Connectivity Index.

11. Every three months, UNCTAD's *Transport Newsletter* briefs UNCTAD's members on recent and upcoming transport and trade facilitation events and publications. Each issue also features selected topical articles. The Transport Newsletter is sent out electronically to a large and growing number of subscribers.

12. Further on-going research by UNCTAD focuses on environmental challenges, in particular climate change and the need to build the resilience of transport infrastructure services and operations. Helping developing countries promote more sustainable freight transport systems across all modes, as well as improve their understanding of the strong nexus between environmental impact of transport activities and energy remain an important focus of UNCTAD's research and analytical work. In parallel, work is also carried out on financing mechanisms for sustainable freight transport development as well as on legal and regulatory developments affecting transport and trade, including environmental regulation.¹

III. Consensus Building on Transport and Trade Facilitation

13. The first session of the Multiyear Expert Meeting on Transport, Trade Logistics and Trade Facilitation took place in October 2013. Entitled *Transport and logistics innovation towards the review of the Almaty Programme of Action in 2014*, it provided a useful stock-taking exercise of the progress made and outstanding issues for the 2014 review process. It was followed by an Ad-Hoc Expert Meeting on *Transport Observatories* organized in Geneva on 25 October 2013 to explore issues related to the establishment and functioning of Transport Observatories.

14. UNCTAD also delivered presentations at a large number of fora and training events. These included, for instance, the European Commission Joint Research Centre (ECJRC), Maersk Group, École polytechnique fédérale de Lausanne (EPFL), Research in Marine Environment and Resources (RiMER), Summer School by the University of the Aegean, on Interactions of Shipping with the Marine Environment (ISMARE), Maritime Policy and Management (MPM), International Association of Maritime Economists (IAME), Kühne and Nagel University (KNU), Maritime Economics and Logistics (MEL), The Borderless Alliance, Union of African Shippers Councils (UASC), World Trade Organization (WTO), Consumer Unity & Trust Society (CUTS International), Global Network of Exim Banks

¹ For more details, see Division on Technology and Logistics Activity Report 2013.

and Development Finance Institutions (G-NEXID), World Bank, World Maritime University (WMU), and Cámara Interamericana de Transportes (CIT). Furthermore, UNCTAD engaged in the transport related debate on sustainable finance at International Transport Forum (ITF) in Germany.

IV. Technical assistance and capacity-building activities in transport and trade facilitation

15. Capacity building and training continued to be an important part of UNCTAD's work on transport and trade facilitation issues.

16. By December 2013, for instance, UNCTAD successfully concluded several trade facilitation projects linked to the multilateral negotiations on trade facilitation.² Throughout the year, it conducted seven regional and inter-regional events on trade facilitation implementation and regional cooperation in St. Lucia, Benin, Rwanda, Tanzania, India and Nepal. UNCTAD also produced nine national trade facilitation implementation plans.

17. UNCTAD's trade facilitation projects have an impact on development in various ways. Indeed, beyond the impact resulting from the easing of trade, trade facilitation reforms help to generate better quality employment, get small traders into the formal sector, make economic activities more transparent and accountable, promote good governance, strengthen IT capabilities, and generally help modernize societies.

18. One specific achievement resulting from UNCTAD's trade facilitation projects has been the more active participation of developing countries in the WTO negotiations on trade facilitation. Through UNCTAD's research, advisory services and support to consensus building in this particular area, developing countries gained a far improved understanding of the different trade facilitation measures negotiated at the WTO. This, in turn, allowed them to actively participate in the negotiations and contribute to the important Trade Facilitation Agreement reached in Bali on 7 December 2014.

19. While the national implementation plans approach –developed by UNCTAD as a complement to the WTO needs assessments– is an important step in the right direction, it nevertheless remains but one part of a long process which relies extensively on countries' capacity to maintain an inclusive and productive national dialogue on the trade-facilitation reforms. In this context, supporting the establishment and operationalization of national trade-facilitation committees in developing countries will prove to be an important element in effectively implementing and monitoring needs and progress under WTO Trade Facilitation Agreement.

20. In 2013, UNCTAD executed two national trade logistics projects. One in Pakistan focused on advisory services to the Ministry of Commerce. The second one, on Ethiopia, provided advisory services for the modernization of the Ethiopian Shipping and Logistics Services Enterprise

21. In 2013, UNCTAD also continued to provide advice on economic, legal and regulatory issues as well as policy guidance in response to requests received from various governmental and intergovernmental entities as well as non-governmental organizations. For instance, it provided policy advice and hands-on assistance to Nigeria Exim Bank (NEXIM) on the use of PPP models for terminal concessions and shipping services as well as for the SEALINK project, a regional project aimed at building an efficient coastal sea transport system for the West and Central African States (ECOWAS). UNCTAD also

² For more details, see Division on Technology and Logistics Activity Report 2013.

continued the implementation of the on-going joint UNESCAP/UNCTAD/ECA project for “Capacity Building of Control Authorities and Transport Operators to Improve Efficiency of Cross-border Transport in Landlocked and Transit Developing Countries” in East Africa Central Corridor.

22. In 2013, UNCTAD continued to deliver through its ASYCUDA programme significant technical assistance to developing countries in: a) modernizing customs; b) facilitating trade and enhancing competitiveness through reduce transaction time and costs; c) improving security through streamlined and more effective control procedures and; d) fighting corruption through increased transparency. ASYCUDA continues to be UNCTAD’s largest technical assistance programme, two thirds of which financed directly from beneficiary countries. During the year five new countries/ territories (namely Jamaica, Lesotho, Saint Helena, Saint Kitts and Nevis, and the Solomon Islands) adopted ASYCUDA. In total, there were 51 operational ASYCUDA technical assistance projects, including 7 regional and inter-regional projects. In 2013, UNCTAD staff and consultants undertook 334 support, training and advisory missions. 143 participants attended 29 training events and/or study tours out of their country.

23. One of the salient features of the year has also been the signing of a Memorandum of Understanding with the World Customs Organisation, the second half of the year saw the inception of the ASYCUDA Performance Indicators Module. Based on WCO’s experience of the performance measurement methodology and WCO’s technical advice, a priority set of performance indicators has been developed by the Geneva development team of ASYCUDA. The application is being implemented in a pilot country, Liberia, with the assistance of WCO, with funding from NORAD. Subsequently it will be made available to all requesting countries using the ASYCUDA system. Consequently, the module facilitates database interrogation and data analysis of Customs offices and promotes governance and efficiency through performance measurements.

24. In addition, 2013 marked the successful introduction of a new ASYCUDA product: the electronic phytosanitary certification system – ASYCER. The system was successfully piloted with flower producers in Ethiopia with the support of the Ethiopian Ministry of Agriculture. ASYCER facilitates exports procedures for agricultural producers, which may help them to better engage in international trade. The system is the result of the cooperation between the Dutch Ministry of Economic Affairs and UNCTAD’s ASYCUDA Programme. ASYCER was presented by UNCTAD’s Secretary-General, Dr. Mukhisa Kituyi, in a parallel event during the WTO Ministerial Conference in Bali, in December 2013

V. Introduction to Knowledge Sharing, Training and Capacity Development

25. UNCTAD supports developing countries and countries with economies in transition through, inter alia, two main groups of cross-divisional training and capacity-building activities. One, centered around the TrainForTrade programme, fosters training and capacity-building, targets more specifically trade practitioners and aims at developing a sustainable local capacity in trade, investment and development issues. The other, centered around UNCTAD’s Course on key issues on the international economic agenda (also known as P166, for paragraph 166 of the Bangkok Plan of Action), provides capacity-building programmes for policymakers on the integrated treatment of trade, investment, finance, technology and development issues. These activities are undertaken in accordance with Paragraph 56 (r) of the Doha Mandate which states that UNCTAD should: “Continue capacity-building activities including TrainForTrade and in the framework of paragraph 166 of the Bangkok Plan of Action”. In 2013 these activities continued to develop,

including through the enhanced use of innovative ICT-based solutions, and received excellent recognition from beneficiaries, host governments and Member States.

VI. Activities undertaken in the context of Human Resources Development

26. A number of cross-divisional activities have been undertaken in the context of UNCTAD Human Resources Development and TrainForTrade programmes. They include in particular Port Training activities (through four language-based networks).³ Moreover, advice is provided on the use of information and communications technology (ICT) to promote knowledge sharing, networking and competence building.⁴ Particular importance is attached to the training of local experts as trainers in order to create sustainable knowledge sharing processes, and to south-south cooperation amongst beneficiaries. New learning tools such as e-learning and mobile-learning are continuously developed.

27. In 2013, 30 face-to-face and e-learning courses were delivered in cooperation with other UNCTAD programmes. A total of 842 trade operators (27 % women) from 29 developing countries, including 13 least developed countries, participated in these courses.

28. Collaboration has also taken place with the Staff Development and Learning Section (SDLS) of the United Nations Office at Geneva by providing Learning and Content Management System (LMS) used by more than 1000 students each trimester accessing course materials, and cooperation continued with the Office for the Coordination of Humanitarian Affairs (OCHA) on e-learning activities (5 online courses).

29. An Advisory Group Meeting on *Developing Skills Knowledge and Capacities through Innovation: E-learning, M-learning, Cloud-Learning* was organised in Geneva on 10 December 2013. It emphasised the use of new technologies for knowledge sharing and capacity building training in developing countries. 15 UN agencies took part in the discussions examining some of the current initiatives developed or implemented by international organizations and/or universities in the field of distance learning, with an aim to advise UNCTAD on the implementation of innovative solutions for the building and sharing of knowledge.

30. In cooperation with the ECOWAS Commission, UNCTAD launched a Development Account project in West Africa in 2013 to strengthen capacities in the area of e-Commerce in some West African countries (Benin, Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, and Togo).

31. UNCTAD also organized an e-Learning course on "BioTrade and Value Chain Development", counting with the participation of 24 representatives from Colombia, Ecuador, Mexico and Peru.

32. UNCTAD and UNDP Angola organized 6 capacity-development activities, within the framework of UNDP Angola's Growing Sustainable Business Project, with the participation of 225 stakeholders from the public and private sectors of Angola.

33. In 2013 the Port Training Programme, which supports port communities in developing countries, delivered 59 courses globally for 381 participants (29% women) and 89 trainers (29% women) from 19 countries, including 8 LDCs.

³ For more details on such activities, see Division on Technology and Logistics Activity Report 2013.

⁴ For more details on such activities, see Division on Technology and Logistics Activity Report 2013.

34. At the Coordination Meeting held in Belfast in July 2013, Irish Aid presented the conclusions of its evaluation of the English-speaking network of the Port Training Programme. This evaluation concluded that the programme is effective, relevant, efficient and sustainable. Minister of State at the Department of Trade of Ireland, reaffirmed Irish Aid's commitment to strengthening the programme and highlighted its importance in Ireland's strategy to promote trade and development.

35. The *French-speaking* African members of the Port Training Programme in Africa held final dissertation panels and organized new training cycles in Gabon, Djibouti, Benin and Cameroon. Sixteen participants in Benin, 18 in Cameroon and 16 in Gabon successfully defended their dissertations and were awarded UNCTAD's Modern Port Management Certificate.

36. The annual Coordination Meeting of the French-speaking network took place in March 2013 in Geneva, Switzerland. The Director Generals and Focal Points of the ports of Benin, Cameroun, Djibouti, Gabon, Guinea, Togo and Senegal reviewed the activities of the past year, exchanged best practices, and agreed on the way forward. Representatives of the Ports of Congo, Congo DRC and Côte d'Ivoire took part as observers. Côte d'Ivoire has since become an official member of the network and is currently preparing to launch its first training cycle.

37. A new Memorandum of Understanding was signed in Geneva on 13 December 2013 by the Secretary-General of UNCTAD Mukhisa Kituyi and the Director General of Marseilles-Fos Port, Jean-Claude Terrier, in the presence of the Ambassadors and delegates from the Permanent Missions of Benin, Cameroon, Congo, Congo DRC, Comoros, Côte d'Ivoire, Djibouti, France, Gabon, Guinea, Haiti, Madagascar, Mauritania, Senegal and Togo.

38. In the context of the *Spanish-speaking network*, in 2013 a Training of Trainers Workshop was held in Valencia, Spain in collaboration of the ValenciaPort Foundation and the Port Authorities of Valencia and Gijon. The network also launched the 3rd cycle of the Modern Port Management course in Peru for 24 participants (eight women) and the 1st cycle in Dominican Republic for 34 participants (eight women).

39. TrainForTrade's Port Training Programme was presented at the 8th meeting of the Inter-American Committee on Ports of the Organization of American States held in September 2013 in Cartagena, Colombia. The programme received the support of Latin American and the Caribbean port communities.

VII. Course on key issues on the international economic agenda

40. The course on key issues in the international economic agenda ("Paragraph 166" course) aims at providing policy makers with knowledge and skills to design and implement trade and development policies that correspond to the needs and interests of their countries. The programme is undertaken in collaboration with other Divisions of UNCTAD, whose staff is involved in the design and delivery of the curriculum. Inputs from the United Nations regional economic commissions as well as national experts from the countries hosting the regional courses form an integral part of this process.⁵

41. In 2013, three regional courses were organized: for Latin America and the Caribbean (in Medellín, Colombia from 4 to 22 February 2013); for Africa (in Mauritius from 15 July to 2 August 2013); and for the Asia-Pacific region (Singapore, 11–29 November 2013). A

⁵ For more details on such activities, see Division on Technology and Logistics Activity Report 2013.

total of 60 participants, 35 of whom were women, and 17 LDC participants participated in these courses.

42. Another event of interest in 2013 has been the selection of the University of Belgrade, Serbia as a multi-year venue for the regional courses for countries with economies in transition from 2014 to 2018. Proposals were also received from Colombia and Mexico for a multi-year venue in that region for courses from 2015 to 2019. A decision on this is expected by end March 2014 by the Advisory Body.

43. A similar call for proposals for multi-year venues for the Asia-Pacific region will be launched in January 2014 as approved by the Advisory Body that met in December 2013.

44. In 2013 six short courses were organized for Geneva-based delegates. The themes were (1) Global income and trade trends: Implications for export opportunities for developing countries; (2) Trade logistics, transport, trade facilitation and customs automation: Issues and UNCTAD's role; (3) New generation of investment policies for sustainable development; (4) Global capital flows, remittances and diaspora – opportunities and challenges for developing countries; (5) New trade reality and multilateralism; and (6) Investment promotion – realizing your potential. Over 150 delegates participated in these short courses in 2013.

45. In 2013, the websites related to the short courses for Geneva-based delegates and the Regional Courses on Key Issues on the International Economic Agenda were upgraded. Particular attention was paid to ensure more efficient and effective procedures for course registration and content management through innovative IT solutions.
