

ESCAP/OHRLLS/ECE/Government of Lao PDR Final Regional Review of the Almaty Programme of Action Vientiane, Lao PDR, 5 - 7 March 2013

Technical Session 1 Promoting fundamental transit transport, and infrastructure development and maintenance in the LLDCs (Priorities 1 and 2 of the APoA)

Transport Infrastructure and Facilitation Discussion Paper 1 (A)(B)

Transport Division



Transport Infrastructure



Transport Infrastructure – Key facts

- Higher transport costs in LLDCs vs. countries with sea access (physical and non physical barriers are 2 explanatory factors);
- Physical barriers confirmed by cross-country studies rating quality of transport infrastructure as relatively poor in LLDCs;
- Level of development not homogenous in LLDCs (e.g. percentage of roads paved in Mongolia, Lao PDR and Afghanistan < 30% vs. > 80% in Central Asian countries;
- Significant progress made in the last 10 years (e.g. nearly 30% of the Asian Highway roads in LLDCs (i.e. > 10.000 km) upgraded since 2004).



Challenges to bridge infrastructure gaps

- Maintaining regional coordination platforms for coherent infrastructure planning;
- Building internal capacity for infrastructure development and ensuring efficient coordination among stakeholders (govt agencies, shippers, etc.);
- Mobilising financial resources to cope with the enormous financial needs in a context of the tight fiscal situation;
- Preserving the value of existing assets through adequate maintenance;
- Catching commercial opportunities through quality driven logistics and transport services;
- Integrating sustainable considerations in infrastructure development.



Way forward – Experience from ESCAP

1. Building on existing Intergovernmental Agreements such as the ones on Asian Highway (AH) and Trans-Asian Railway (TAR)

Background:

AH network covers over 143,000 km of road in 32 countries: 29 countries including 11 LLDCs are Parties to the Agreement

TAR network covers over 117,000 km of railway lines in 28 countries: 18 countries including 5 LLDCs are Parties to the Agreement

- AH and TAR agreements can continue to create the necessary institutional backbone for a coordinated and rational planning of regional infrastructure.
- Within these frameworks, road networks have been continuously upgraded + some rail missing links have been planned and constructed.



Way forward – Experience from ESCAP

2. Integrating different international networks for an optimal use of existing infrastructure

- Intermodal facilities such as Dry Ports can build synergies by linking different transport modes and help industrialization to extend to the hinterlands (can play a similar role than sea port for LLDCs);
- An intergovernmental agreement on dry ports has been approved (to be submitted for adoption at the Commission session and, if adopted, to be open for signature at the Forum of Asian Ministers of transport in Nov 2013).
- Anticipated impact include: increased recognition, easier financing, harmonized approach to operation and improved logistic industry;
- Study and workshops on Dry Ports are currently conducted by ESCAP to enhance the capacity of members countries to develop dry ports.



Way forward – Experience from ESCAP

3. Promoting new sources of financing and preserving the value of existing assets

- Funding needs are unlikely to be fully covered by national budgets or loans from international institutions;
- Developing innovative solutions might be necessary and some suggestions are presented in the background paper;
- One of these solutions is Public Private Partnerships (PPPs) for which ESCAP has worked for promoting an appropriate institutional and legal environment as well as for building capacity for officials;
- Timely maintenance of assets also reduces investment needs and maintain logistic efficiency (an expert group meeting on this topic will be organised by ESCAP in 2013);





forward – Experience from ESCAP

ing commercial initiatives promoting the use of nland transport for international trade

to capture an increasing part of international freight ificant (LLDCs are at the crossroads between major ^rs);

ress such as the surge in containerization reduces ysical barriers (e.g. break of gauge in rail networks);

n this potential, transport and logistic services should be reliable, and demand should be generated through sting;

cted capacity building activities related to the of transport and logistic services including on efficient ctices.

