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Report on the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024

I. Introduction

1. Africa is home to 16[1] of the world's 32 landlocked developing countries. Like such countries in other regions of the world, those in Africa face complex challenges owing to their lack of direct access to the sea and high transport and transit costs. Being landlocked is a major contributor to high rates of extreme poverty. Thirteen[2] of the 16 African landlocked developing countries are also among the least developed countries.

2. The aim of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 is to address the special development needs and challenges faced by landlocked developing countries by contributing to their sustainable and inclusive growth and helping them to move towards the goal of ending extreme poverty. The Programme is an integral part of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union.

3. In 2022, Africa has been facing a double crisis. The combined effects of the war in Ukraine and the coronavirus disease (COVID-19) pandemic have further exacerbated the connectivity and integration challenges faced by landlocked developing countries, such as heavy reliance on international trade, dependence on agricultural, mining and energy commodities and dependence on transit countries. While the free movement of goods, services and persons continues to be restricted because of the pandemic, the war in Ukraine has deepened food insecurity on the continent owing to spikes in food, fertilizer and fuel prices, which have led to a reduction in the fiscal space for overall government expenditure and increasing debt distress. The double crisis is pushing the Sustainable Development Goals of the 2030Agenda and the aspirations of Agenda 2063 further out of reach of African landlocked developing countries.

* E/ECA/COE/41/1.

[1] Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Eswatini, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, South Sudan, Uganda, Zambia and Zimbabwe.

[2] Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger,Rwanda, South Sudan, Uganda and Zambia.

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4. The present report provides an overview of the progress achieved and the challenges faced in implementing the Vienna Programme of Action since the previous report to the Conference of African Ministers of Finance, Planning and Economic Development during the fifty-fourth session of the Economic Commission for Africa (ECA).

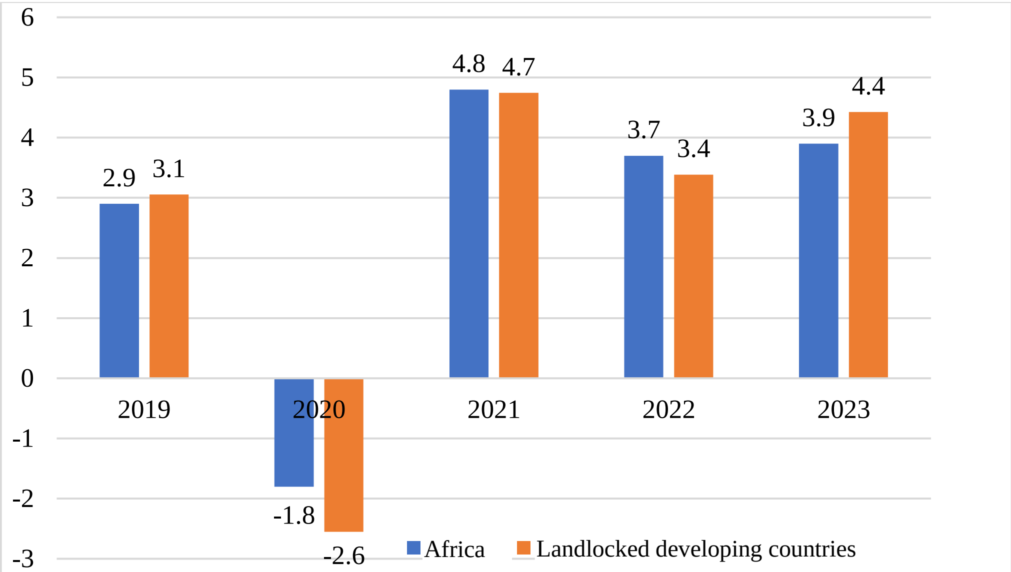
II. Overview of socioeconomic development in African landlocked developing countries

5. Africa recorded economic growth during the reporting period, but real gross domestic product (GDP) growth in 2022 (3.7 per cent) was less than in 2021 (4.8 per cent). Even though landlocked developing countries suffered a larger GDP contraction in 2020 and less GDP growth in 2021 and 2022, they are expected to grow at a rate greater than the African average in 2023 (see figure I).

Figure I

Real growth in gross domestic product

(percentage)



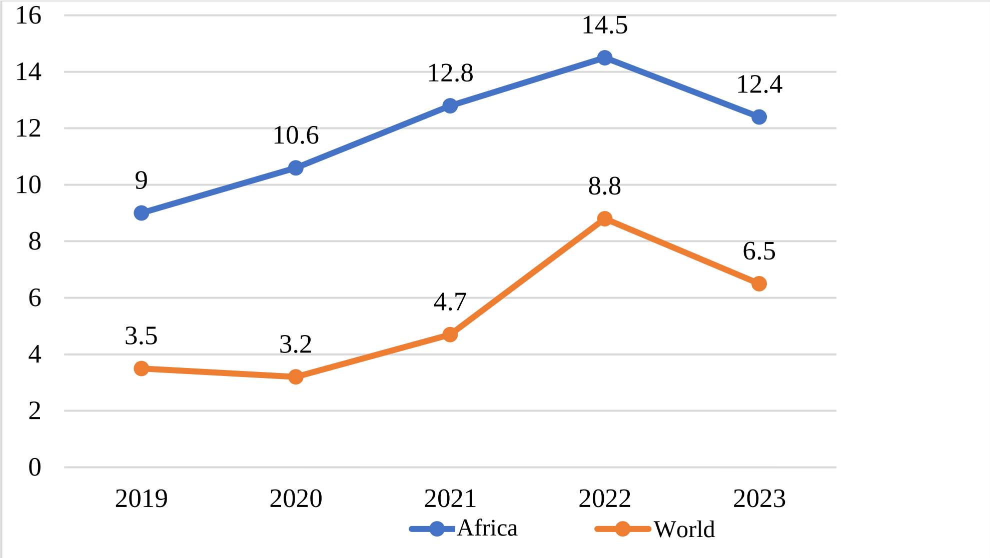
Source: ECA, based on projections of the International Monetary Fund (IMF). Available at www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEOWORLD/AFQ?year=2022 (accessed on 18 November 2022).

6. Inflation in Africa is forecast to be higher than global inflation (see figure II). After reaching 12.8 per cent in 2021, it is expected to rise to 14.5 per cent in 2022 and decline to 12.4 per cent in 2023. Global inflation is expected to rise from 4.7 per cent in 2021 to 8.8 per cent in 2022 and then to decline to 6.5 per cent in 2023. Several landlocked developing countries are among the countries with the highest inflation rates on the continent. In 2023, Zimbabwe is forecast to record the highest inflation rate (204.6 per cent), Ethiopia will record the third highest rate (28.6 per cent) and South Sudan and Malawi will record among the 10 highest rates (21.7 per cent and15.5 per cent, respectively).

Figure II

Inflation rate in average consumer prices

(annual per cent change)



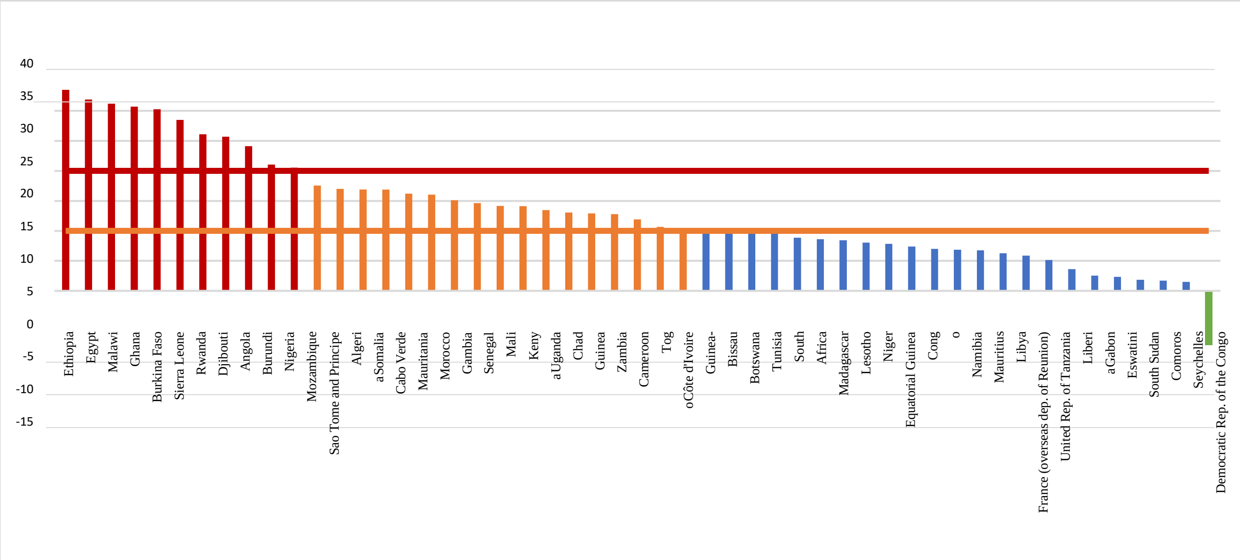
Source: ECA, based on projections of IMF.

7. Inflation in Africa has been significantly influenced by the war in Ukraine because of the continent's dependence on third parties for the supply of such critical foods as wheat and maize and because of surging fuel prices. In 2021, Africa imported over $97 billion in food products, and 39 African countries were net importers of food products, leaving them exposed to supply chain constraints and with an overall food trade deficit of $30 billion. The four countries that have been hit the hardest by inflation in food prices (Ethiopia, Malawi, Burkina Faso and Rwanda) are landlocked (see figure III). Since food products comprise a large share of consumption, consumers' purchasing power will significantly diminish, thus affecting domestic demand. Lower-income households in particular will be hit, worsening poverty and vulnerability.

Figure III

Year-on-year inflation in food prices, as at June 2022

(percentage)



Source: ECA, based on the Corporate Database for Substantive Statistical Data of the Food and Agriculture Organization of the United Nations (accessed on 27 October 2022). Available at https://www.fao.org/faostat/en/.

8. Energy security has also been severely compromised by the war in Ukraine. Even though many African countries are net exporters of crude oil, the continent is highly dependent on imported refined petroleum products. In 2021, all African landlocked developing countries except the Niger were net importers of refined petroleum products.

9. Political instability also contributed to the economic challenges that emerged from the pandemic and the war in Ukraine. In 2022, the Central African Republic, Ethiopia and South Sudan have continued to face internal challenges. Terrorism has also had negative economic effects on countries. Between 1 January and 30 June 2022, 699 terrorist attacks were recorded on the continent, resulting in 5,412 deaths across Africa.[3] Among African landlocked developing countries, Burkina Faso, Mali and the Niger have been the most affected by terrorist attacks.[4] In June 2022, high- profile attacks were conducted in Burkina Faso and Mali, resulting in the death of at least 100 and 132 civilians, respectively.

10. Although stress on the health-care system due to COVID-19 has been significantly reduced, Africa presents the lowest number of vaccine doses administered per 100 people. As at 25 October 2022, a total of 12,830,378,906 vaccine doses[5] had been administered worldwide, but only 683,805,078[6] (5 per cent) had been administered in Africa. Progress in the rate of vaccination has been mixed in landlocked developing countries. While Lesotho, Rwanda and Botswana figure among the 10 African countries with the highest percentage of the population that has received at least one dose (78.6, 69.9 and 56.0 per cent,

[3] African Centre for Studies and Research on Terrorism, "Mid-year Africa terrorism trend analysis: 2022",4 September 2022.

[4] Institute for Security Studies, "African conflicts to watch in 2022", 17 December 2021.

[5] World Health Organization (WHO), "WHO coronavirus (COVID-19) dashboard". Available at https://covid19.who.int/.

[6] WHO, Regional Office for Africa, "Africa COVID-19 vaccination dashboard". Available at https://app.powerbi.com/view?r=eyJrIjoiOTI0ZDlhZWEtMjUxMC00ZDhhLWFjOTYtYjZlMGYzOWI4NGIwIiwidCI6ImY2MTBjMGI3LWJkMjQtNGIzOS04MTBiLTNkYzI4MGFmYjU5MCIsImMiOjh9.

respectively), Burkina Faso, Mali and Burundi figure among the 10 African countries with the lowest percentage of the population that has received at least one dose (13.9, 12.5 and 0.2 per cent, respectively).

11. Africa is the region most affected by HIV, with 67 per cent (25.7 million people) of all people living with HIV in the world. East Africa and Southern Africa are the subregions most heavily affected by HIV, with 20.6 million people living with HIV (54 per cent of all people living with HIV worldwide).[7] Progress among African landlocked developing countries in ending the HIV epidemic has been mixed. While Botswana became the first HIV-burdened country to be certified by WHO as having achieved a critical milestone along the path to eliminating vertical HIV transmission in 2021, new HIV infections have been increasing in South Sudan since 2010.[8]

12. In 2019, 478 million Africans lived in extreme poverty.[9] The pandemic is estimated to have pushed an additional 5 million to 29 million Africans below the extreme poverty line of $1.90 a day.[10] In 2019, 70.1 per cent of the population in Malawi, 42.2 per cent of the population in Uganda and 39.8 per cent of the population in Zimbabwe were living with less than $2.15 a day. In 2018, 50.6 per cent of the population in the Niger, 30.9 per cent of the population in Chad and 30.5 per cent of the population in Burkina Faso were living with less than $2.15 a day (2017 purchasing power parity). Inequality has also widened within African countries. According to data from the World Bank, 4 of the 10 most unequal countries in the world are African landlocked developing countries.[11]

13. Through research, analysis and interventions, ECA has continued to work to ensure that African landlocked developing countries are not left behind in making progress towards achieving the Sustainable Development Goals and the aspirations set out in Agenda 2063.

III. Status of implementation of the priorities of the Vienna Programme of Action

A. Fundamental transit policy issues

14. The Vienna Programme of Action underscores the significant roles that freedom of transit and transit facilitation play in the overall development of landlocked developing countries and their integration into the global trading system. It calls for the harmonization, simplification and standardization of rules and documentation, together with the full and effective implementation of international conventions governing transport and transit and all bilateral, subregional and regional agreements.

15. Following the worldwide decline in COVID-19 infections, severe cases and deaths,[12] the borders between landlocked developing countries and transit countries have reopened, thus diminishing supply chain disruptions and

[7] United Nations, Joint United Nations Programme on HIV/AIDS, *In Danger: UNAIDS Global AIDSUpdate 2022*, Geneva, 2022.

[8] Ibid.

[9] *Reaping the Potential Benefits of the African Continental Free Trade Area for Inclusive Growth: Economic Development in Africa: Report 2021* (United Nations publication, 2021).

[10] United Nations, ECA, "514 million Africans risk falling below extreme poverty line in 2021 due to COVID-19", 2 March 2021.

[11] The Gini index was 57.1 for Zambia in 2015, 56.2 for the Central African Republic in 2008, 54.6 for Eswatini in 2016 and 53.3 for Botswana in 2015.

[12] WHO, "Weekly epidemiological update on COVID-19: 2 November 2022". Available at https://www.who.int/publications/m/item/weekly-epidemiological-update-on-covid-19---- 2-november-2022.

improving access to goods and services. However, the pandemic has highlighted the vital role of efficiently functioning corridors in facilitating trade and transport connectivity.

16. Moreover, African landlocked developing countries will benefit from the Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment. Enhanced and well-managed intra-African free movement of people will significantly improve the development prospects of African landlocked developing countries. As at October 2022, 11 of these countries had signed the Protocol, but only Mali, the Niger and Rwanda were among the four countries that had ratified it.[13] Eleven more ratifications are required for the Protocol to enter into force. ECA continues to work with various stakeholders to encourage member States to ratify the Protocol and assist them in its subsequent implementation. It has carried out research, provided recommendations and proposed a strategy that would contribute to attaining the requisite number of ratifications.

B. Infrastructure development and maintenance

17. Although African landlocked developing countries have made significant improvements in the expansion and upgrading of transport infrastructure, they continue to lack adequate physical infrastructure in rail transport, road transport, dry ports, inland waterways, pipelines and air transport. The infrastructure deficit and the high cost of logistics constitute major constraints to the growth of these countries and to the full implementation of the Vienna Programme of Action. According to data from the Programme for Infrastructure Development in Africa, corridor inefficiencies within the African transport infrastructure network cost more than $75 billion per year, leading to reduced intraregional and international competitiveness of African countries.

18. Road transport is the dominant mode of transport in Africa, carrying 90 per cent of passengers and 80 per cent of goods. However, the average paved road density in African landlocked developing countries is 10.59 km per 1,000 km^2, which is nearly half of the average for all landlocked developing countries (24.66 km per 1,000 km^2).[14] The Trans-African Highway is a network of transcontinental road projects in Africa that seeks to address the deficit in road transport and road connectivity across the continent. However, its operationalization continues to be hampered by missing links and poor maintenance in some key segments. One of the major projects to be undertaken for the landlocked developing countries of Southern Africa is the Nacala road corridor development project, which will improve transport and trade between Malawi, Mozambique and Zambia. Once it is completed, it should reduce the cost of trade by 15–20 per cent in those countries.[15]

19. Rail is the second most dominant mode of transport in Africa, given that 36 African countries have railways.[16] While Eswatini, Malawi and Zimbabwe have the highest rail density among African landlocked developing countries, Burundi, the Central African Republic, Chad, Lesotho and the Niger still lack railway network connectivity.[17] Some African landlocked developing countries

[13] See https://au.int/en/treaties/protocol-treaty-establishing-african-economic-community-relating-free-movement-persons.

[14] United Nations, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, *Improving Transport Connectivity for LLDCs and Building Resilient Transport Infrastructure to Support Accelerated Progress towards the SDGs*.

[15] Kingsley Ighobor, "Ongoing regional infrastructure will boost free trade in Africa", *Africa Renewal*, 10 October 2022.

[16] Aditi Raina and others, *Railways in Developing Countries: A Global Review*, Washington, D.C., World Bank, April 2022.

[17] United Nations, Office of the High Representative for the Least Developed Countries, Landlocked

also have navigable waterways, such as Lake Victoria, providing access to Burundi, Rwanda and Uganda, and the Congo River, providing access to the Central African Republic. However, five landlocked developing countries do not have navigable waterways (Botswana, Burkina Faso, Eswatini, Ethiopia and Lesotho). Dry ports also play an important role in increasing the logistical performance of landlocked developing countries, reducing trade logistics costs and promoting intermodality. Almost half of African landlocked developing countries have dry ports (Burundi, Eswatini, Ethiopia, Rwanda, Uganda, Zambia and Zimbabwe).[18]

20. Since the start of 2022, African airlines have been steadily recovering from the effects of the pandemic. In July 2022, although passenger traffic still stood 26 per cent below the level it had achieved in the same month in 2019, it had almost doubled since the beginning of 2022. Also, in July 2022, African airlines registered a 2 per cent gain in cargo traffic compared with the same month in 2019.[19] The recovery of the aviation industry is vital for landlocked developing countries, since it improves connectivity without being subject to borders and other impediments. The Single African Air Transport Market, launched in 2018 by the African Union, pushes for further liberalization of the skies through the implementation of the Yamoussoukro Decision. As at July 2019, 29 States were part of the Single African Air Transport Market, including 10 landlocked developing countries (Botswana, Burkina Faso, Central African Republic, Chad, Ethiopia, Lesotho, Mali, Niger, Rwanda and Zimbabwe).

21. Access to affordable, reliable and renewable energy is also key to enable the modernization of information and communications technology (ICT) and transit systems, with a view to enhancing the productivity and trade competitiveness of landlocked developing countries. However, access to electricity for this category of African countries remains particularly low. While an average of 56 per cent of the African population had access to electricity in 2020, only 33 per cent of the population in African landlocked developing countries had access.[20] Progress has also been mixed among those countries: 76 per cent of the population of Eswatini had access to electricity in 2020, compared with only 5 per cent in the Central African Republic.[21] The share of modern renewables in total final energy consumption in Africa is also very low, at 10.28 per cent for the continent in 2019 and 10.73 per cent for African landlocked developing countries.[22] Significant progress was also achieved on the subregional Rusumo Falls hydroelectric project, which will increase the supply of electricity to the national grids of Burundi, Rwanda and the United Republic of Tanzania. As at September 2022, overall progress was close to 96.7 per cent, and the project is expected to be completed by June 2023.[23]

22. The development of ICT in landlocked developing countries is also key to sustainable and inclusive growth. In this context, the pandemic has accelerated Internet uptake in Africa. In 2022, 39.7 per cent of the African population was using the Internet, compared with 27.7 per cent in 2019. However, this was still far below the world average of 66 per cent in 2022.[24] Progress has been mixed in African landlocked developing countries. Mobile

Developing Countries and Small Island Developing States, *Improving Transport Connectivity for LLDCs*.

[18] Ibid.

[19] International Air Transport Association, "Quarterly air transport chartbook: IATA economics – Q32022".

[20] International Energy Agency, "Access to electricity". Available at www.iea.org/data-and-statistics/data-product/sdg7-database#access-to-electricity (accessed on 18 November 2022).

[21] Ibid.

[22] International Energy Agency, "Share of modern renewables". Available at www.iea.org/data-and-statistics/data-product/sdg7-database#share-of-modern-renewables (accessed on 18 November 2022).

[23] See https://rusumoproject.org/index.php/en/our-stories/356-rwanda-eastern-province-governor-visits-rusumo-project.

[24] International Telecommunication Union, "Statistics". Available at www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx (accessed on 18 November 2022).

phone usage in Africa has significantly increased. On average, there were 87 mobile cellular subscriptions per 100 people in Africa in 2020. The average for landlocked developing countries was slightly lower, at 73 subscriptions per 100 people.[25] African landlocked developing countries also recorded a major increase in subscriptions for active mobile broadband (from 30 to 34 per 100 inhabitants).

23. However, high prices for ICT continue to hamper the capacity of landlocked developing countries to harness the full benefits of the digital economy and to reap the maximum trade and development benefits that should accrue from the use of emerging technologies. More efforts are required to help such countries in Africa to develop affordable broadband Internet service for wider populations to achieve Sustainable Development Goal 9.c (on the provision of universal and affordable access to the Internet). Collaboration with transit countries and with the international community will be necessary to bridge the digital gap between landlocked developing countries and the rest of the world.

C. International trade and trade facilitation

24. Landlocked developing countries heavily depend on international trade, which has rendered them especially vulnerable to the disruptive effects of the pandemic and the war in Ukraine. Concerns about a global recession have been weighing on commodity prices, which are expected to decrease in 2023 and 2024. Nevertheless, domestic-currency prices of such commodities will remain high because of currency depreciation,[26] which could lead to food and energy crises.

25. In the third quarter of 2022, as global growth slowed and worries about a global recession intensified, most commodity prices retreated from their peaks in the aftermath of the post-pandemic demand surge and the war in Ukraine.[27] However, the price of brent crude oil increased by 35 per cent compared with the same quarter in 2021. Metal prices declined the most (by 16 per cent) owing to worries about a slowdown of the Chinese economy, but the price of fertilizers increased by 67 per cent compared with the same period in 2021. After a steep rise in agricultural commodity prices in the second quarter of 2022, prices fell in the third quarter, easing fears about food shortages after the signing of the United Nations-brokered grain export deal between the Russian Federation and Ukraine. However, maize prices increased by 20 per cent compared with the same period in 2021.

26. The limited diversification of the economies of African landlocked developing countries limits their performance in world markets, since their dependence on exports of raw materials and on world markets for imports of essential goods (such as fuel, food items and pharmaceuticals) exposes them to external shocks. In this context, the implementation of the Agreement Establishing the African Continental Free Trade Area can help to cushion such countries against these vulnerabilities by reducing their dependence on remote markets. To that end, ECA has supported African countries in the development of national and subregional implementation strategies to assist them in reaping the full benefits of the Agreement. Moreover, Rwanda is one of 10 countries participating in the Agreement Establishing the African Continental Free Trade Area-anchored Pharmaceutical Initiative, which is aimed at addressing challenges with access to equitable, safe and affordable medicines through pooled procurement, facilitating the local production of pharmaceuticals and

[25] Ibid.

[26] World Bank, *Commodity Markets Outlook: Pandemic, War, Recession – Drivers of Aluminium andCopper Prices,* Washington, D.C., World Bank, October 2022.

[27] Ibid.

promoting harmonized regulatory standards and quality assurance of medicines and products.

27. African landlocked developing and transit countries have made progress in ratifying the Agreement on Trade Facilitation of the World Trade Organization (WTO), which is aimed at expediting the movement, release and clearance of goods, including those in transit. As at October 2022, 14 African landlocked developing countries that were WTO members had ratified the Agreement. Ethiopia and South Sudan are working on their accession to WTO, after which they can become party to the Agreement. Sixteen African transit countries had also ratified it.

28. As at 4 November 2022, the average implementation rate of the commitments under the Agreement was 46.7 per cent for Africa and 44.1 per cent for African landlocked developing countries, indicating good commitment from the latter. Although significant progress has been made, there is still room for improvement, especially in terms of leveraging the beginning of trading under the Agreement.

D. Regional integration and cooperation

29. Regional integration is imperative for the economic growth and development of African landlocked developing countries. The Agreement Establishing the African Continental Free Trade Area provides a great opportunity to boost trade by creating a continental market, reducing barriers to trade and investment, encouraging competition and harmonizing trade rules across the regional economic communities, which will contribute to industrialization, economic growth, job creation and poverty reduction. With the start of trading under the Agreement, landlocked developing countries are expected to reap scale benefits from the single African market, which has a combined GDP of $3.4 trillion. For example, the successful implementation of the Agreement would lead to some 640 thousand people in Ethiopia, 30 thousand people in Uganda and 10 thousand people in Zimbabwe being lifted out of extreme poverty by 2045.[28] The operationalization of the free trade area has the potential to boost African GDP from about $3 trillion 2020 to $8 trillion in 2040 and $16 trillion by 2060.[29] All African landlocked developing countries except for Botswana and South Sudan have ratified the Agreement.

30. In 2019, Africa accounted for 2.8 per cent of world trade.[30] Intra-African trade accounted for only 15 per cent of total continental trade, clearly showing that African countries trade more with the rest of the world than with one another.[31] While 41 per cent of intra-African trade was comprised of manufactured goods, only 17 per cent of African trade with the rest of the world was comprised of manufactured goods, suggesting that increasing intra-African trade could have higher benefits. Following the implementation of the Agreement, the value of intra-African trade is expected to increase by more than 130 per cent by 2045.[32] The Agreement could help to redress the situation in which intra-African exports often face higher tariffs than exports to the rest of the world, partially because of other preferential trading arrangements, such as the African Growth and Opportunity Act of the United States of America and

[28] United Nations, Economic Commission for Africa (forthcoming).

[29] United Nations, Economic Commission for Africa, *Governing the African Continental Free Trade Area–Regional Economic Communities Interface*, 2021.

[30] *Reaping the Potential Benefits of the African Continental Free Trade Area.*

[31] *Economic Development in Africa: Report 2019 – Made in Africa: Rules of Origin for Enhanced Intra-African Trade* (United Nations publication, 2019).

[32] United Nations, Economic Commission for Africa, "New assessment of the economic impacts of the Agreement Establishing the African Continental Free Trade Area on Africa", policy brief, July 2021.

the Everything but Arms initiative of the European Union.[33]

31. Although free trading under the Agreement officially commenced in January 2021, it was only in September 2022 that the first trade happened. Six countries,[34] including one landlocked developing country (Rwanda), are participating in the pilot phase. The first trade reported under the Agreement was the export of Kenyan-made batteries to Ghana.[35]

32. ECA is currently helping countries to develop their national implementation strategies through capacity-building, organizing national committees, policy support and targeted interventions to empower women and young people in trade. ECA has also developed a country business index, which is a comprehensive tool to capture the views of the private sector on the implementation of the Agreement. ECA has also continued to collaborate with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, including by actively participating and making substantive inputs during a ministerial transport conference held in August 2022 in Turkmenistan, whose outcome will feed into a new or revised global framework in support of landlocked developing countries post-2024.

33. United under the Agreement, African countries will be able to negotiate better trade deals with the rest of the world. The implementation of the Agreement will help to attract investment, boost trade, provide better jobs, reduce poverty and increase shared prosperity on the continent, which will benefit all African landlocked developing countries.

E. Structural economic transformation

34. The Vienna Programme of Action underscores the need for the structural transformation of the economies of African landlocked developing countries, with a focus on value addition and economic diversification, to reduce the negative impact of their geographic disadvantages and external shocks. Although these countries have made significant efforts to expand their private sectors and improve their capacity in the areas of manufacturing, science, technology and innovation, they still face the challenge of sustaining the structural transformation of their economies.

35. Following the world trend, in 2020, the services sector contributed the most to African GDP, at 49 per cent, followed by industry at 24 per cent and agriculture at 19 per cent.[36] In African landlocked developing countries, the contribution of the services sector was 46 per cent, followed by industry at 26 per cent and agriculture at 21 per cent (see figure IV). The services sector is the largest contributor to the GDP of all African countries, except for Chad, the Niger and Mali, in which agriculture still contributes more to GDP, at 46, 38 and 36 per cent, respectively.

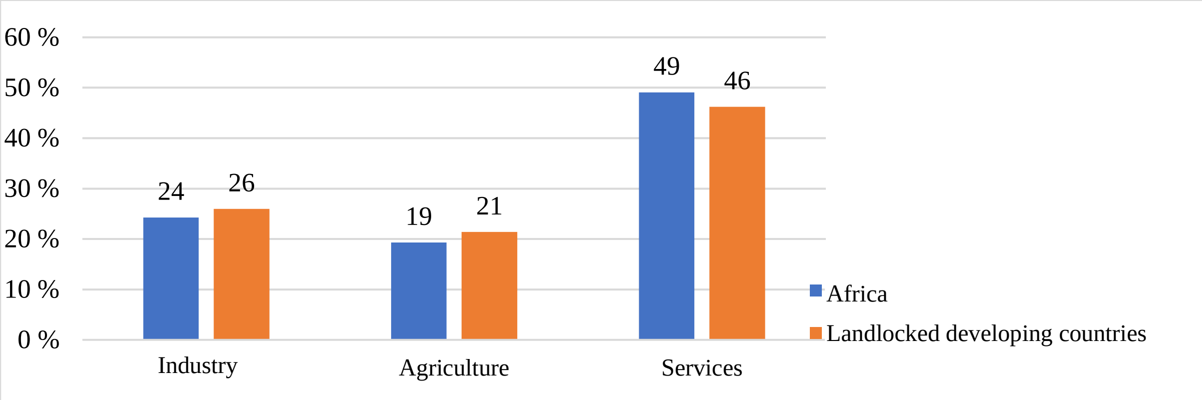
[33] *Reaping the Potential Benefits of the African Continental Free Trade Area.*

[34] Cameroon, Egypt, Ghana, Kenya, Rwanda and United Republic of Tanzania.

[35] Martin Mwita, "Kenya begins trading under AfCFTA", *The Star*, 23 September 2022.

[36] World Bank, World Bank Open Data. Available at https://data.worldbank.org/ (accessed on 18 November 2022).

Figure IV
Contribution to gross domestic product in 2020
(percentage)



Source: ECA, based on World Bank data.

36. From 2014 to 2020, on average, the contribution of the industrial sector to African GDP decreased by 5 per cent, while the contributions of the agricultural and services sectors increased by 2 per cent each. In African landlocked developing countries, a different trend was observed. On average, the contribution of the industrial sector increased by 4 per cent, that of the services sector increased by 2 per cent and that of the agricultural sector decreased by 7 per cent. Some of the most notable changes happened in Ethiopia and Zimbabwe, in which the contribution of the industrial sector increased by 71 per cent and 51 per cent, respectively. In the Central African Republic, the contribution of the services sector increased by 40 per cent. During this period, all African landlocked developing countries except for Botswana, Lesotho, the Niger, Rwanda and South Sudan experienced a decrease in the contribution of the agricultural sector to GDP.

37. Industrialization is a key driver of economic growth because it can enhance productivity, generate formal employment with workplace safety and social protection and increase shared prosperity. Furthermore, industrialization can upgrade the position of African landlocked developing countries in global value chains, thus increasing the economic benefits, such as higher wages for workers, that accrue from their participation in those value chains.

F. Means of implementation

38. The lack of adequate financial resources and capacity constraints are some of the biggest challenges facing African landlocked developing countries in their efforts to implement the Vienna Programme of Action and achieve the Sustainable Development Goals and the aspirations of Agenda 2063. Many developing economies already had elevated levels of sovereign debt at the start of the pandemic. With the health and economic crises that arose thereafter, most countries took on additional debt to pay for programmes to sustain national health systems that were under severe distress and mitigate the negative effects on companies and workers.

39. Chad, Zambia and Zimbabwe are currently in debt distress, and Burundi, the Central African Republic, Ethiopia, Malawi and South Sudan present a high risk of overall debt distress. Burkina Faso, Lesotho, Mali, the Niger, Rwanda and Uganda also face a moderate risk of overall debt distress.[37]

[37] World Bank, Debt Sustainability Analysis. Available at www.worldbank.org/en/programs/debt-toolkit/dsa (accessed on 18 November 2022).

40. Science, technology and innovation are also major pillars of the 2030 Agenda, without which structural transformation cannot happen. Some African landlocked developing countries have made notable progress in this regard. In 2022, Botswana was ranked as the second most innovative economy in Africa, excluding countries in the northern part of the continent. Rwanda and Ethiopia were ranked as the first and third most innovative low-income countries, respectively, while Zimbabwe and Burundi were noted as having performed above expectation for their respective levels of development.[38]

41. In this context, the support of development partners and stakeholders, such as ECA, is critical in helping African landlocked developing countries to establish and maintain integrated transport systems, to integrate those systems into global and regional supply chains and to promote structural transformation of their economies. Official development assistance flows remain a major source of financing for such countries, but it must be complemented by aid for trade, South-South cooperation, technical support and foreign direct investment from the private sector.

IV. Conclusion and recommendations

42. Although 2022 was a challenging year owing to the pandemic and the war in Ukraine, African landlocked developing countries and transit countries have made considerable efforts towards implementing the Vienna Programme of Action. However, many of the goals set out there in remain to be achieved. The lack of financial and human resources and financing gaps are among the main constraints to its full implementation. African landlocked developing countries and transit countries should strive to achieve those goals, and follow the road map for the accelerated implementation of the Vienna Programme of Action in the remaining two years and engaging with policymakers, the private sector, development banks, United Nations entities and other relevant partners:

(a) To ratify and effectively implement international and regional agreements, such as the Agreement Establishing the African Continental Free Trade Area, the Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment, and the Agreement on Trade Facilitation;

(b) To encourage the private sector to contribute to the implementation of the Vienna Programme of Action through various channels, including by increasing domestic and foreign investment in landlocked developing countries through public- private partnerships;

(c) To develop resilient health systems not only to respond to disease outbreaks but also to build a strong primary health-care foundation to address pre-existing inequities among vulnerable populations by improving access to equitable, safe and affordable medicines;

(d) To catalyse investment to address the gaps in transport infrastructure, renewable energy, ICT and digital transformation, industrialization and regional integration;

(e) To advance structural economic transformation with a view to building productive capacity, focusing on increasing value addition in the manufacturing and agricultural sectors, further integrating landlocked developing countries into global and regional value chains, encouraging economic and export diversification and promoting formal and decent employment;

[38] World Intellectual Property Organization, *Global Innovation Index 2022: What is the Future of Innovation-Driven Growth?* (Geneva, 2022).

(f) To coordinate with development finance partners to address the emerging debt crisis through fairer and more effective mechanisms for debt crisis resolution;

(g) To develop country-level solutions across the priority areas.