

High-Level Africa Regional Review Meeting of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024

29-30 May 2023, Gaborone, Botswana

Concept Note

Introduction

The United Nations General Assembly (UNGA), in its resolutions 76/217 and 77/246, decided to convene the Third United Nations Conference on Landlocked Developing Countries (LLDCs) in 2024. The Conference aims to undertake a comprehensive review of the implementation of the Vienna Programme of Action for LLDCs for the Decade 2014-2024 (VPoA) and to formulate and adopt a renewed framework for international support to address the special needs of LLDCs and to strengthen partnerships between the LLDCs and transit countries and their development partners.

The General Assembly also decided that the Conference shall be preceded by national and regional-level reviews, as well as thematic preparations. In line with the decision of the General Assembly, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) jointly with the United Nations Economic Commission for Africa (UNECA) and the Government of Botswana are organizing the High-level Africa regional review meeting of the VPoA to be held on 29-30 May 2023 in Gaborone, Botswana. The outcomes of the Regional Review Meeting will feed into the preparatory process of the Third United Nations Conference on LLDCs.

Background on the Vienna Programme of Action

Adopted in 2014 by the International Community, the Vienna Programme of Action consists of a set of six priority areas of interventions (Fundamental Transit Policy Issues; Infrastructure Development and Maintenance; International Trade and Trade Facilitation; Regional Integration and Cooperation, Structural Economic Transformation, and Means of Implementation) intended as a holistic approach to the peculiar challenges faced by LLDCs that have, over the years, impeded their economic transformation, as well as inclusive and sustainable growth.

Africa is home to half of the 32 LLDCs that contend with many development challenges due to a lack of direct territorial access to the sea, remoteness and significant distance from world markets. They face relatively high trade costs compared to their transit neighbours, limited infrastructure, delays at borders, bottlenecks related to customs procedures and border crossing regulations, productivity constraints, and undiversified economies and export markets. They are also not able

to fully tap into the benefits of investment, finance, technology and services needed to further improve productive capacity in the agriculture, industry and services sectors that are needed for higher trade exchanges and the structural transformation of their economies. The COVID-19 pandemic and the current geopolitical and global macroeconomic situation have further exacerbated the structural challenges of LLDCs.

Progress on the implementation of the Vienna Programme of Action in Africa

Over the last nine years, progress towards meeting the goals and specific objectives of the VPoA has been mixed. The midterm review of the implementation of the VPoA held in 2019 revealed that some progress had been achieved in some areas in the implementation of the VPoA; however, more needed to be done by various stakeholders to enhance the prospects of fulfilling the objectives of the program. The assessment done in 2022 indicated that progress had been stalled or in some cases reversed by the COVID-19 pandemic.

Efforts have been made in the region to improve transit and transport connectivity through the development of transport, border and infrastructure including the development of corridor infrastructure such as the Djibouti – Addis Ababa corridor, Nacala corridor and several One Stop Border Posts. Reductions in transit time and costs were reported for some corridors. For example, the Djibouti – Addis Ababa corridor transit times declined from 4 days in 2010 to 12 hours in 2019. The COVID-19 pandemic negatively affected transit and connectivity due to the measures introduced to curb the spread of the virus. Many LLDCs and transit countries have gradually lifted pandemic-related restrictions. However, the pandemic underscored the need for transit systems to be both efficient and resilient to shocks. The continent has infrastructure needs amounting to a financing gap in the range of over \$100 billion and there is a need for strengthening the pipeline of bankable projects in order to attract global institutional investors.

African LLDCs witnessed a significant increase in mobile cellular subscriptions, from 64.3 per 100 people in 2014 to almost 80 per 100 people in 2021. The use of the Internet in Africa increased from 27% in 2019 to 33% in 2021, while in the African LLDCs the number of Internet users increased from 29% in 2019 to 35% in 2021 (International Telecommunication Union, 2021). Despite this good progress, digital connectivity and the use of ICT remain a challenge in African LLDCs.

The average proportion of the population with access to electricity in African LLDCs, increased from 24% in 2014 to 37% in 2020, while for all LLDCs, it increased from 49.5% in 2014 to 59.5% in 2020. African LLDCs still lag behind the world average of about 89%. A large disparity also continues to persist between urban (87%) and rural areas (47%).

Whilst international trade remains important for LLDCs' economies, their participation in global trade remained low for the duration of the implementation of the VPoA. LLDCs' share of global

merchandise exports decreased from 1.2% in 2014 to 0.98% in 2021. For African LLDCs, their share of merchandise exports in global exports has remained around 0.24% in 2021, that is, a 0.01% drop from 2014. The LLDCs, therefore, did not achieve the VPoA objective of substantially increasing LLDCs' exports.

During the COVID-19 pandemic, the world witnessed an increase in e-commerce, especially in developed countries. Whilst e-commerce could play an instrumental role in helping developing economies including LLDCs to further integrate into global trade and value chains, these countries lag behind. Their key challenges include inadequate digital infrastructure and lack of policies to support e-commerce and the digital economy.

The WTO Agreement on Trade Facilitation contains provisions for the expedited movement, release and clearance of goods across borders, including goods in transit, and it is expected to reduce trade costs by up to 17%. However, the rate of implementation of the Agreement remains low in LLDCs. As of 31 March 2023, LLDCs were fully implementing about 34% (Category A) of the measures of the TFA and for African LLDCs, this rate was about 32%. These countries are faced with capacity constraints to implement trade facilitation reforms.

The progress of LLDCs on regional integration has been considerable. On average, each LLDC is a party to 4 regional trade agreements, with the number of agreements per country ranging from 1 to 11. Several reports, including the 2021 African Integration Report, however have highlighted that the level of integration on the African continent is low overall. The African Continental Free Trade Area (AfCFTA) presents a great opportunity to enhance the integration of African LLDCs as it is envisioned to result in reduced tariffs and the elimination of non-tariff barriers and ease trade facilitation hurdles. All African LLDCs have ratified the AfCFTA - a sign of their readiness to leverage the opportunities offered by the AfCFTA.

LLDCs in general have made limited progress toward structural transformation and have remained at the bottom of the value chains and continue to depend on a handful of commodities. In 2021, primary commodities accounted for 82% of merchandise exports from LLDCs, having declined from about 86% in 2014. The value-added contribution of the agriculture sector in these countries increased from 14.3% of GDP in 2014 to about 18% in 2021¹. The value-added contribution of the manufacturing sector in LLDCs increased from 10% of GDP in 2014 to about 11% in 2021.² This is relatively low compared to the world average of about 17%.

On means of implementation, African LLDCs made efforts to raise domestic resources, however, the levels are low due to the large informal sector, weak and inefficient tax administration systems, prevalence of tax incentives, leakages in revenue collection and weak enforcement. Foreign investment trends in LLDCs have been anemic in the last 10 years. In 2021, combined FDI flows

¹ <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS>

² <https://data.worldbank.org/indicator/NV.IND.MANF.ZS>

to the 32 LLDCs were only \$18 billion, only a little more than 1% of the total global FDI flows of \$1.6 trillion. Even though African LLDCs account for half of the world's LLDCs by number of countries, the combined FDI inflows to African LLDCs was only \$7.8 billion in 2021. Total ODA commitments to LLDCs declined from \$24 billion in 2014 to \$20.2 billion in 2021. Many LLDCs in Africa are facing the challenge of rising debt, with some at risk of defaulting on their debt. At the end of 2022, three African LLDCs were debt distressed, five were at high risk and six were at moderate risk of debt distress.

LLDCs are disproportionately affected by the negative impacts of climate change. LLDCs' great reliance on climate-sensitive sectors such as agriculture has increased their vulnerability to climate change, desertification, land degradation, droughts, floods, glacial lake outflow flooding, and landslides. These natural disasters decrease and disrupt agriculture productivity, which is the key part of the economic sector in the LLDCs, damage infrastructure and other assets, and causes loss of biodiversity.

Overall as the implementation period of the VPoA draws to a close, LLDCs continue to face high transport costs, have unmet infrastructure needs and are not yet fully integrated into regional and global trade. The regional review meeting is a unique opportunity to take stock, galvanize political attention and identify actions to accelerate the sustainable development of LLDCs to ensure that they are not left behind.

Objectives

The objectives of the Africa regional review meeting of the VPoA are to:

- Undertake a comprehensive review of the implementation of the Vienna Programme of Action in Africa, including identification of the achievements, constraints, emerging challenges and opportunities (including those brought about by the establishment and roll out of the AfCFTA) for achieving sustainable development and SDGs and Agenda 2063 in LLDCs;
- Identify alternative and innovative sources of finance (including trade finance) that could be leveraged and used for implementation of VPoA and provide guidance on how the LLDCs can access the resources;
- Share best practices, experiences and innovative approaches, and
- Identify appropriate policy measures and concrete action-oriented recommendations at the national, regional and global levels aimed at addressing the special challenges of LLDCs and accelerating their sustainable development progress over the next decade.

The meeting will adopt an outcome document with recommendations that will form substantive inputs into the preparations of the Third United Nations Conference for LLDCs and will serve as an important background for the Preparatory Committee Meetings to be held in New York in early 2024.

Participation

The meeting will bring together ministers and senior government officials from Ministries dealing directly with the implementation of the VPoA and related issues of transit, trade, infrastructure development (ICT, Transport and energy), structural economic transformation and finance, from the 16 African LLDCs³, as well as representatives of transit countries from the region and development partners. The UN system, relevant regional and sub-regional organizations, other international organizations, regional and international financial institutions; and the private sector will also be invited to attend.

Format

The meeting will take place over two days, consisting of an opening session, interactive thematic sessions and a closing session. At its conclusion, the meeting will adopt an outcome document that will form input into the review of the VPoA.

Background Documentation

[Vienna Programme of Action for the Landlocked Developing Countries for the Decade 2014-2024](#)

[Report of the Secretary-General on the Implementation of the Vienna Programme of Action](#)

[UN ECA Assessment of progress on regional integration in Africa](#)

[UN ECA Report on the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024](#)

[GA resolution A/RES/76/217 on the Follow-up to the second United Nations Conference on LLDCs](#)

[GA resolution A/res/77/246 on the Follow-up to the Second UN Conference on LLDCs](#)

[Scaling Up Renewables in Landlocked Developing Countries \(LLDCs\)](#)

[Global Report on Improving Transport Connectivity for LLDCs](#)

[Impact of COVID-19 and responses in LLDCs](#)

³ Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, South Sudan, Eswatini, Uganda, Zambia, Zimbabwe.

Improving Transport Connectivity for LLDCs and the Status of Implementation of the VPoA in the Africa Region

Effective Transit Transport Corridor Development and Management: Report on Best Practices