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

I. Introduction

1. Landlocked developing countries[1] face special trade and development challenges, emanating from their lack of territorial access to the sea and geographical remoteness from international markets. Because of the lack of direct access to the sea, those countries are faced with disproportionately high transport and trade costs, which hinder their competitiveness and overall economic growth. Landlocked developing countries' seaborne trade depends on transit through other countries, and accordingly, they are confronted with additional border crossings, weak transit-transport infrastructure and inefficient customs operations. The economic performance of landlocked developing countries reflects the direct and indirect impacts of their geographical situation on key-economic variables. Landlocked developing countries are generally among the poorest of the developing countries, with the weakest growth rates, and are typically heavily dependent on a very limited number of commodities for their export earnings.

2. To address the challenges of landlocked developing countries in a more coherent manner, the international community adopted the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2018 (Vienna Programme of Action), at the second United Nations Conference on Landlocked Developing Countries, held in Vienna from 3 to 5 November 2015.[2] The Vienna Programme of Action provides a holistic framework to address the structural challenges faced by landlocked developing countries through six mutually reinforcing priority areas: fundamental transit policies; infrastructure development and maintenance; international trade and trade facilitation; regional integration and cooperation; structural economic transformation; and means of implementation. Its overarching goal is to help landlocked developing countries achieve sustainable and inclusive growth and to eradicate poverty. The Vienna Programme of Action is an integral part of the 2030 Agenda for Sustainable Development and Agenda 2063 for African landlocked developing countries.

3. The General Assembly, in its resolution 72/232, decided to convene a comprehensive high-level midterm review on the implementation of the Vienna

[1] Afghanistan; Armenia; Azerbaijan, Bhutan; Bolivia (Plurinational State of); Botswana; Burkina Faso; Burundi; Central African Republic; Chad; Eswatini; Ethiopia; Kazakhstan; Kyrgyzstan; Lao People's Democratic Republic; Lesotho; the former Yugoslav Republic of Macedonia; Malawi; Mali; Mongolia; Nepal; Niger; Paraguay; Republic of Moldova; Rwanda; South Sudan; Tajikistan; Turkmenistan, Uganda; Uzbekistan; Zambia; and Zimbabwe.

[2] A/CONF.225/7.

Programme of Action, no later than December 2019. The objectives of the midterm review are to review progress made by the landlocked developing countries, transit countries and development partners in the implementation of the Vienna Programme of Action and serve as a forum to share best practices and lessons learned, identify obstacles and constraints encountered and actions and initiatives needed to overcome them, as well as new challenges and emerging issues, in order to further accelerate the implementation of the Vienna Programme of Action. As part of the preparatory process for the comprehensive high-level midterm review, regional review meetings will be held for Euro-Asia, Africa and Latin America regions.

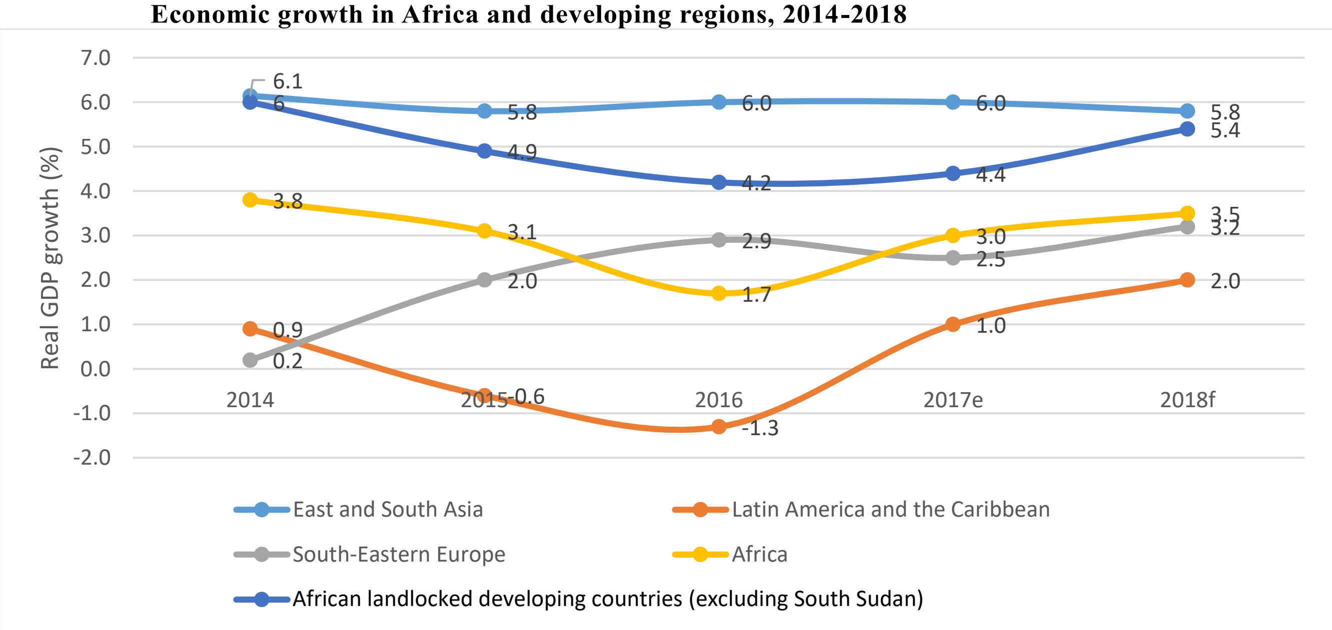
4. The present report provides an overview of the progress achieved in the implementation of the Vienna Programme of Action in Africa and the basis for discussion in the regional review meeting.

II. Overview of socioeconomic development

5. Economic growth of African landlocked developing countries (excluding South Sudan) decreased from 6 per cent in 2014 to 4.2 per cent in 2016 and then increased slightly to 4.4 per cent in 2017 (figure I). Following the decline experienced from 2014 to 2016, some African landlocked developing countries enjoyed strong growth in 2017, such as Burkina Faso (6.4 per cent), Ethiopia (7.3 per cent), Mali (5.1 per cent) the Niger (5.5 per cent), Rwanda 6.7 per cent and Uganda (5.7 per cent). During that year, the lowest growth rates were recorded by Burundi and Chad, 0.02 per cent and 0.1 per cent, respectively.

Figure I

Economic growth in Africa and developing regions, 2014-2018



Source: World Economic Situation and Prospects (United Nations publication. Sales no. E.18.ll.C.2).
Notes: e, estimates; f, forecasts.

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

Priority 1: Fundamental transit policy issues

6. Freedom of transit and adequate transit facilities are vital for the overall development of the landlocked developing countries. Since the adoption of the Vienna Programme of Action, African landlocked developing countries and

transit countries have made progress in the ratification of the World Trade Organization (WTO) Trade Facilitation Agreement, which can potentially reduce costs by between 12.5 and 17.5 per cent. As of the end of October 2018, 13 out of the 14 African landlocked developing countries and 13 out of the 19 African transit countries that are WTO members had ratified it. The ratification and implementation of other relevant international conventions, such as the TIR Convention and the International Convention on the Harmonization of Frontier Controls of Goods, however, remains low, as depicted in table 1.

Table 1
Status of ratification of key international conventions to promote trade and transport facilitation, as of July 2018

Convention or agreement	*African landlocked developing countries*	*African transit countries*	*World total*
World Trade Organization Trade Facilitation Agreement (2013)	13 (86%)*	13 (68%)*	137
Revised Kyoto Convention (2006)	11 (73%)	9 (47%)	123
TIR Convention (1975)	0	0	73
International Convention on the Harmonization of Frontier Controls of Goods (1982)	1 (6%)	1(5%)	58

Sources: World Trade Organization, World Customs Organization and Office of Legal Affairs of the Secretariat.
Note: *- refers to percentage of the total landlocked developing countries or transit countries.

7. Only a limited number of landlocked developing countries and transit countries in Africa are party to international conventions on transport and transit, however, many are party to regional and subregional agreements aimed at facilitating ease of movement of goods and people in the region. One such initiative is the Tripartite Transport and Transit Facilitation Programme, an initiative of the South African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) launched in October 2017 as the successor programme to the Comprehensive Tripartite Transport and Trade Facilitation Programme, implemented until 2017. The launch of the COMESA-EAC-SADC Tripartite Free Trade Area in June 2015, in Sharm el Sheikh, Egypt, strengthened the resolve of the twenty-six Tripartite States to implement various trade facilitation measures from which landlocked developing countries are set to benefit. The Tripartite is comprised of about 50 per cent of the countries in Africa. Its initiatives have been adopted as a model for the rest of the African continent. The Tripartite Free Trade Area has yet to come into force, but four countries[3] out of fourteen required have ratified the agreement, as at 31 December 2018.

8. With regard to the behind the border agenda in Africa, forty-four countries signed the consolidated agreement establishing AfCFTA, the Protocol on Trade in Goods, the Protocol on Trade in Services and the Protocol on Rules and Procedures on the Settlement of Disputes in Kigali on 21 March 2018 at the tenth Extraordinary Summit of the African Union Heads of State and Government. Five additional signatures were added at the thirty-first Ordinary Session of the African Union Summit, held in Nouakchott on 25 and 26 June 2018.[4] In addition, thirty countries have signed the Protocol on Free Movement of People and forty-seven have signed the Kigali Declaration. While the Kigali Declaration on the establishment of AfCFTA signifies the commitment of

[3] These countries are Egypt, Kenya, South Africa and Uganda.
[4] These countries are: South Africa, Sierra Leone, Lesotho, Burundi and Namibia bringing the number to forty-nine

African countries to the regional integration agenda and its principles, the consolidated AfCFTA agreement indicates member States interest to apply selected protocols. To date, there has been sixteen ratifications in two categories. The first category of Instruments of Ratification of the AfCFTA agreement deposited with the African Union Commission includes nine countries, Chad, Côte d'Ivoire, Eswatini, Ghana, Guinea, Kenya, the Niger, Rwanda and Uganda. In the second category, the national assemblies of seven African Union member States have approved ratification of the AfCFTA agreement, the Congo, Mali, Mauritania, Namibia, Sierra Leone, South Africa and Togo. The deposit of instruments of ratification of the seven member States stated above are expected prior to the February 2019 Assembly of African Union Heads of State and Government. The agreement requires only twenty-two ratifications to come into effect.

Priority 2: Infrastructure development and maintenance

9. Progress is being made in expanding and upgrading infrastructure in African landlocked developing countries. However, insufficient quantity of physical infrastructure and high prices continue to hinder the development of accessible and predictable solutions in the transport, energy and information communications technology (ICT) sectors.

10. Regarding infrastructure, roads dominate the transport sector in most African countries, covering 80 to 90 per cent of the passenger and freight traffic, but the average road access rate is 34 per cent for African countries as compared to 50 per cent in other developing countries. The Trans-African Highway, which is at the heart of regional connectivity for the continent covers 54,120 km distributed along nine corridors. However, it is hampered by missing links and poor maintenance in some key segments. The percentage of paved roads remains low in Africa, which is home to 50 per cent of the landlocked developing countries. It was estimated to be about 13 per cent in 2015 for sub-Saharan Africa. The United Nations Office of the High Representative for the Least Developed Countries (UN-OHRLLS) has calculated rail and paved road density (km) per unit of land area (km^2). Table 3 shows road and rail densities are much lower in African landlocked developing countries, as compared with transit developing countries and the global average. UN-OHRLLS has also estimated that to reach the global country average for paved road and rail densities, African landlocked developing countries need to construct an addition 107,000 km of roads and 20,700 km of railway, at a cost of about $23 billion, which is beyond the capacity of many of them. Accordingly, more support must be extended to African landlocked developing countries for the development and maintenance of transport infrastructure.

Table 3
Paved road and railway density of landlocked developing countries

Region	*Paved road density (km per 1000 km^2)*	*Rail density (km per 1 000 km^2)*
East and Southern Africa	34.7	5.7
West and Central Africa	3.5	2.3
All landlocked developing countries	19.1	3.6
Transit developing countries	191.4	8.6
Global	151.0	9.5

Source: UN-OHRLLS. Financing infrastructure in the transport sector in landlocked developing countries: trends, challenges and opportunities Available at. http://unohrlls.org/custom-content/uploads/2018/09/LLDCs_Report_18_digital_Final.pdf.

11. While African countries continue to work towards enhancing the quantity and quality of surface transport infrastructure (ports, roads, rail, inland waterways and inland ports), the bulk of delays associated with movement of goods to and from the ports is occasioned by a host of non-tariff barriers to

trade, namely, border procedures, in-transit disruptions (roadblocks) and poor customs facilitation. To tackle those challenges, most regional economic communities have given priority to transport corridor projects that are intended to address infrastructure gaps, border procedures and other non-tariff barriers to trade, with border posts facilitation being accorded the highest priority in interventions involving corridor transport value chains. Feasibility studies for one-stop border posts are ongoing. In addition, permanent corridor secretariats have been or are being established to oversee the development of corridor transport and related interventions. Full implementation of those measures is expected to gradually give landlocked developing countries better access to the sea with improved turnaround times and result in reduced landing costs of imports into those countries and exports from those counties. This, in turn, will enhance their global competitiveness.

12. The Programme for Infrastructure Development in Africa (PIDA) has estimated that corridor inefficiencies in the African Regional Transport Infrastructure Network cost more than $75 billion per annum, which reduces African countries' intraregional and international competitiveness. To improve the efficiency and reduce the costs of the corridors, it has recommended that the African transport corridors be converted into SMART corridors. The key components of a Smart corridor are strong corridor management institutions, implementation of WTO and World Customs Organization (WCO) trade facilitation tools, such as national single window, coordinated border management, one-stop border posts and electronic certificate for rules of origin. Other interventions required are ICT-based processes, reduction in corruption and those that are evidence based interventions to improve corridor efficiency.[5]

13. Registered air carrier departures from African landlocked developing countries increased by 15.6 per cent between 2014 and 2017, from 116,005 to 134,115. Those countries' airfreight and passenger volumes were about 62 per cent and 46 per cent, respectively, of the total freight and passenger volumes in 2016 of landlocked developing countries. Ethiopian Airlines carried the largest portion of freight, accounting for 95 per cent of the total airfreight of African landlocked developing countries. Some of the challenges faced by landlocked developing countries' air transport industry are the high scale of investment needed for infrastructure development and maintenance, the need to rehabilitate and replace old fleets and upgrade airports and terminals, poor airport infrastructures, lack of physical and human resources and new technologies, limited connectivity, and lack of transit facilities. To increase the role of Africa in the global aviation industry, the African Union launched the Single African Air Transport Market in January 2018. That initiative involves the following: full liberalization of market access to intra-African air transport services, as well as of tariffs, flight frequencies and capacity; removal of restrictions on ownership; and free exercise of the five freedom traffic rights for scheduled and freight air services.

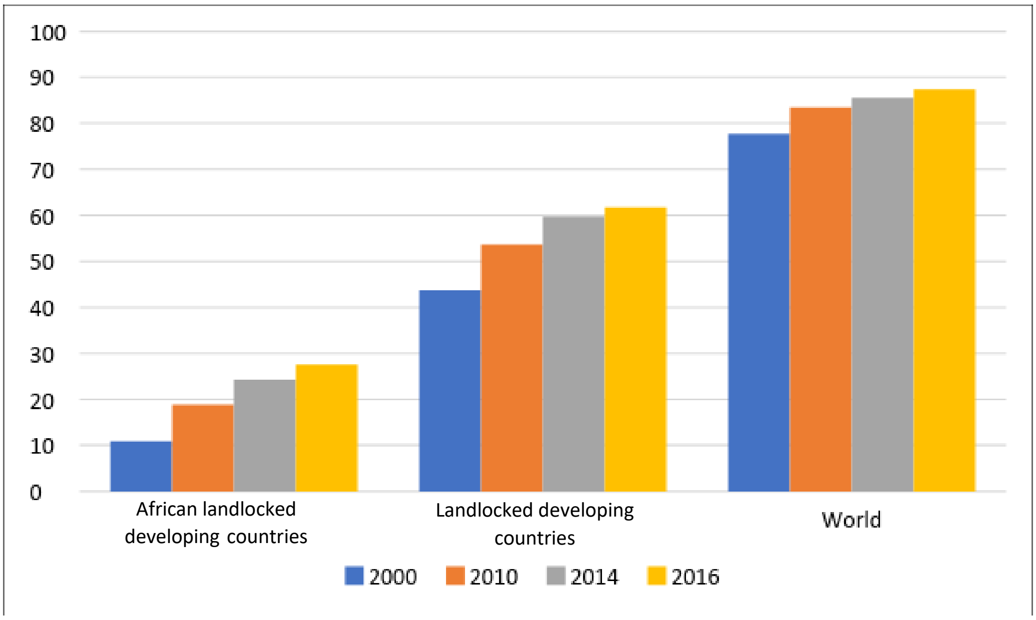
14. It is encouraging to note that many African countries have either built new airports to replace old ones or have rehabilitated several of their airports (for example, new airports were opened in Dakar in 2017 and also in Victoria Falls, Zimbabwe, in 2016, and two are nearing completion, in Dar es Salaam and in Lusaka. Three carriers, Ethiopian, Kenya Airways and South African Airways, continue to dominate the African market, although resurgent carriers, such as Rwandair, have set themselves on a strong growth path. While the three dominant carriers continue to fly into more countries, they have also substantially increased frequencies in their African traditional markets.

15. With regard to energy infrastructure, 27.6 per cent of people living in the African landlocked developing countries had access to electricity in 2016, up

[5] See https://au.int/sites/default/files/documents/32186-doc-support_to_pida_pap_for_the_start-up_of_smart_corridor_activities-e.pdf.

by 3.3 percentage points from 2014, when the Vienna Programme of Action was adopted. However, the per cent of African landlocked developing countries with access to electricity still lags that for all landlocked developing countries and the world, as indicated in figure II. There is, moreover, a significant rural-urban electricity divide among the African landlocked developing countries, On average, in 2016, 61.6 per cent of the urban dwellers had electricity access, as compared to only 13.5 per cent of the population residing in rural areas. On the use of clean fuels and technologies for cooking, only 13.7 per cent of the population in the African landlocked developing countries had access to clean fuels and technologies in 2016. More efforts are required to improve access to sustainable energy in African landlocked developing countries.

Figure II
Percentage of population with access to electricity



Source: World Bank, World Development Indicators. Available at https://datacatalog.worldbank.org/dataset/world-development-indicators.

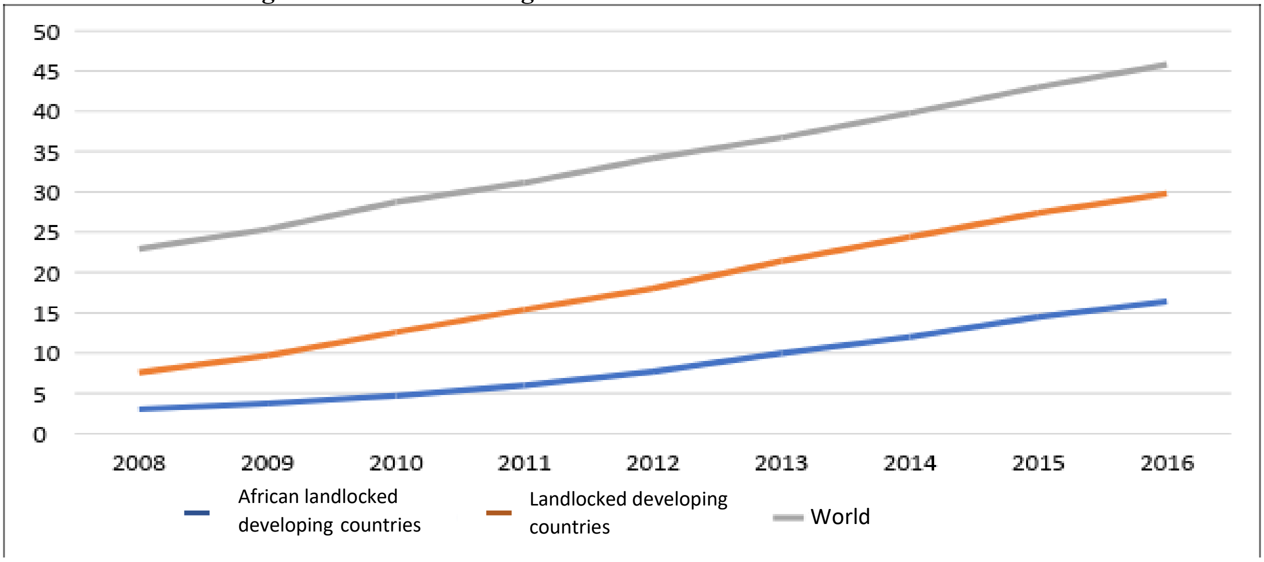
16. To enhance generation capacity in Africa, many national power generation and cross-border interconnector plans have been adopted. Most of the key projects are part of the master plans of the regional economic communities, namely COMESA, EAC, Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS) and SADC, which include regional projects supported by pan-African Institutions, the African Union Commission and the New Partnership for Africa's Development (NEPAD) under the auspices of PIDA, the African Development Bank and other partners, such as the Economic Commission for Africa (ECA). One example is the North-South Power Transmission Enhancement Project, which extends from Egypt, through, the Sudan, South Sudan, Ethiopia, Kenya, Malawi, Mozambique, Zambia and Zimbabwe to South Africa, with the Ethiopia – Kenya line being the most advanced, as there is secured funding for it. As for generation, the completion of the Kaleta Dam Project (240 MW) in Guinea (funded by China) and the Gibe III Project in Ethiopia are some of the success stories in 2018.[6] The focus has been on preparation of projects to bankability as a key basis for the mobilization of resources. To augment power capacity in Africa, a number of renewable energy projects have been developed in almost every country, including the landlocked developing countries. Owing to long gestation periods of power projects, the

[6] The 2018 PIDA progress report. Available at https://www.tralac.org/documents/resources/african-union/2509-2018-pida-progress-report-summary-update/file.html.

pace of completion of those projects has been frustratingly slow. To bring further relief to landlocked developing countries, as well as to other countries, different regions have adopted the least cost options from the regional power plans, paving the way for power trading across countries through power wheeling agreements. Nevertheless, most states are continuing to seek self-sufficiency in energy supply over the long term.

17. With regard to ICT, African landlocked developing countries recorded an increase in mobile cellular subscriptions from 64.3 per 100 people in 2014 to 66.6 per 100 people in 2016. The average number of Internet users in that group of countries also rose, from 12 to 16.4 per 100 people, over the 2014-2016 period. Those averages, however, are very low as compared to the global average and the average for all landlocked developing countries, as depicted in figure III.

Figure III
Percentage of individuals using the Internet



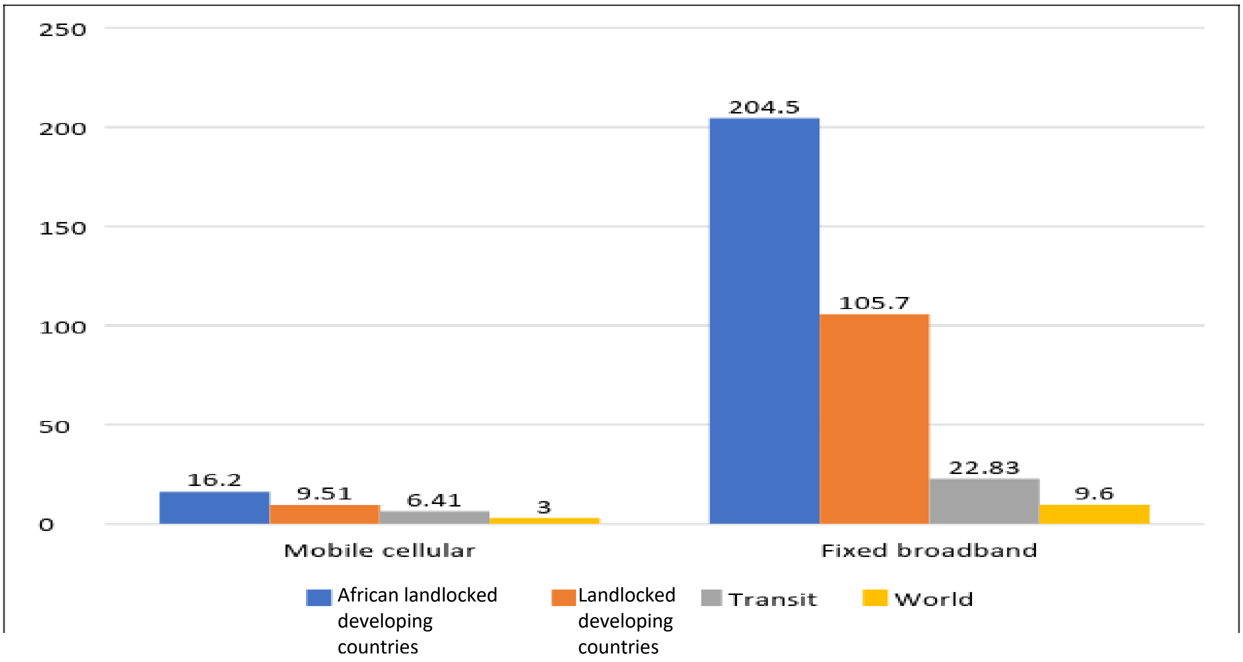
Source: World Bank, World Development Indicators. Available at https://datacatalog.worldbank.org/dataset/world-development-indicators.

18. One of the main reasons for low usage of the Internet in the African landlocked developing countries is the high cost of ICT access. The International Telecommunication Union (ITU) measures prices of ICT services across countries on an annual basis, splitting its analysis into sub-baskets that include mobile cellular and fixed broadband. Based on ITU data, African landlocked developing countries have succeeded in reducing prices over time, with the mobile cellular basket falling from 21.5 per cent to 16.2 per cent of GNI per capita in 2016 and the fixed broadband basket declining from 323 per cent to 205 per cent of GNI per capita over the same period.

19. Figure IV provides a comparison of the average price sub-baskets of African landlocked developing countries, landlocked developing countries in general, transit countries and globally for 2016. It shows that mobile cellular and fixed broadband prices are highest in the African landlocked developing countries. High ICT prices make it difficult for those countries to harness the benefits of the digital economy and in particular, the optimization of emerging technologies that facilitate trade and spur sustainable development. Among those technologies are e-commerce, automated single windows, and e-government and digital finance. Greater efforts are needed to lower the high costs of broadband faced by the African landlocked developing countries. In addition, to benefit from the digital economies, especially through digital trade, African landlocked developing countries need to develop new policies related to digital identity, data security and data privacy, among others. Some

landlocked developing countries, such as Rwanda, are leading the way in the harnessing of digital trade through e-commerce.

Figure IV
International Telecommunication Union price sub-baskets (as a percentage of gross national income per capita), 2016



Source: ITU, *ICT prices 2017* (Geneva; ITU, 2017).
Note: LLDC, landlocked developing countries.

Financing of infrastructure

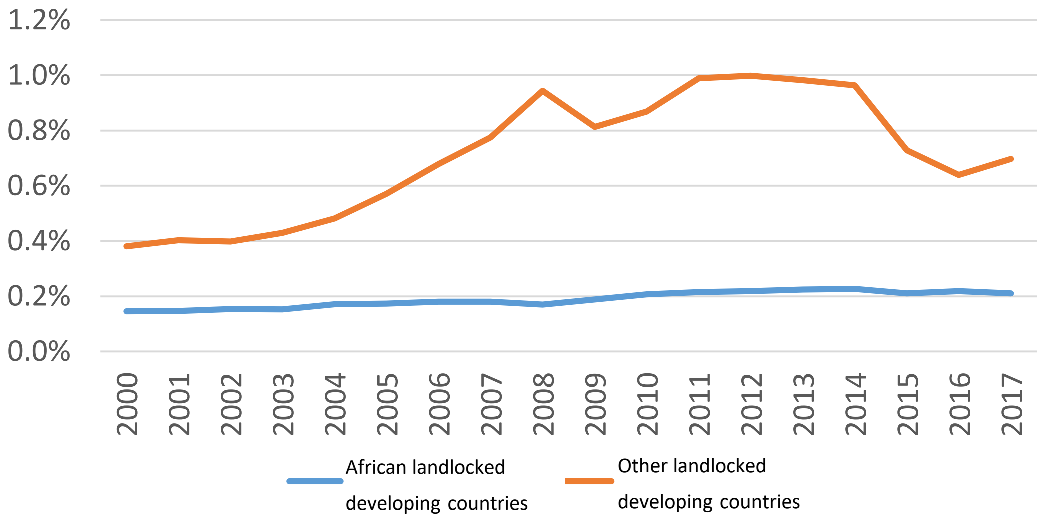
20. Infrastructure financing is pivotal to the roll out of infrastructure in landlocked developing countries, and requires preparation and structuring of projects in order to enhance uptake on financing. Most countries have adopted innovative ways to finance infrastructure, which include sovereign loans (mostly at middle-income countries interest rates), grants, development finance institutions, FDI, public private partnerships (PPPs) and other domestic mobilization options. The Ruzizi III Hydropower Plant project (Burundi, the Democratic Republic of the Congo and Rwanda), is the first regional PPP power project in Africa. It is expected to leverage more than 50 per cent commercial financing (debt and equity), with majority private ownership, and offers valuable lessons on how to structure and attract commercial funding, which leads to timely implementation. The Grand Ethiopian Renaissance Dam (6000 MW), which is almost 70 per cent completed, and the Gibe III (1,870 MW) projects in Ethiopia have been successfully funded through domestic resources.[7] Most regional economic communities have developed resource mobilization strategies aimed at enhancing the capacity of States to finance infrastructure and other developmental projects. To enhance the sustainability of infrastructure, landlocked developing countries have had to scale up their capacity for maintenance of infrastructure supported by full cost recovery measures under the user pays principle, the introduction of road funds whose incomes are directed solely to road maintenance and good governance practices in State-owned enterprises.

[7] ibid.

Priority 3: International trade and trade facilitation

21. Landlocked developing countries as a group have experienced a decline in their share of merchandise export in global exports since 2013, from 1.22 per cent in 2013 to about 0.91 per cent in 2017. While landlocked developing countries' share of trade is relatively low compared to their transit counterparts, it remains very important to their economies. In 2017, trade as a percentage of GDP for landlocked developing countries was, on average, 63 per cent. For that group of countries, exports remain undiversified and mainly comprise food items, ores and metals. This, consequently, has put landlocked developing countries at the bottom of the value chains. The share held by African landlocked developing countries have remained relatively steady but low, at about 0.22 per cent, as indicated in figure V. In 2017, their share of world exports was about 0.21 per cent, a slight decrease from 2016.

Figure V
Landlocked developing countries merchandise exports (percentage of world merchandise exports)



Source: ECA calculations based on United Nations Conference on Trade and Development, UNCTADStat data. Available from http://unctadstat.unctad.org/EN/.

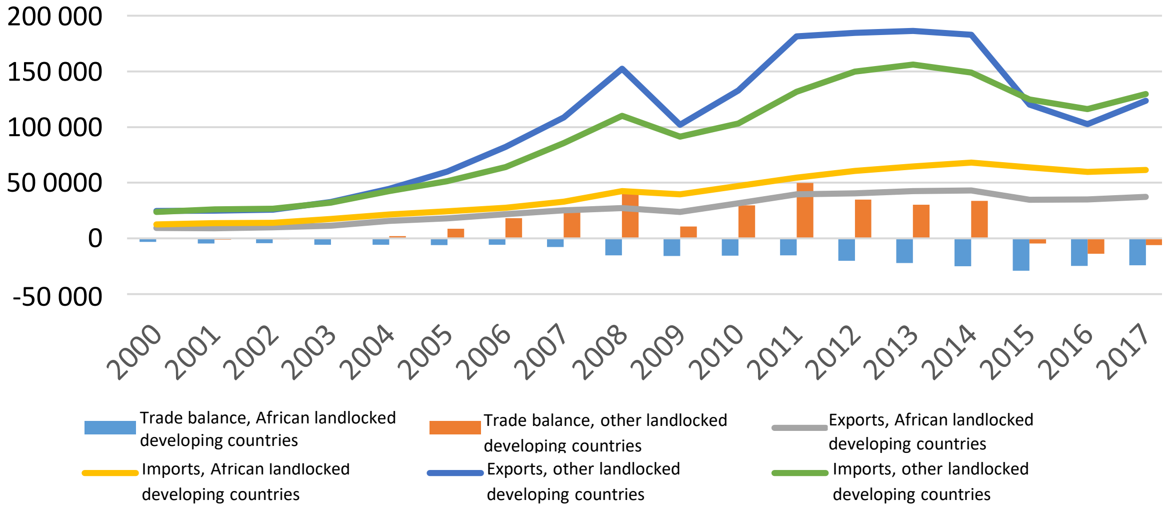
22. Figure VI presents a depiction of the development of merchandise trade for African landlocked developing countries, as compared to non-African landlocked developing countries over the period 2000–2017. In 2017, African landlocked developing countries exports amounted to $37.3 billion, up slightly from $35.1 billion in 2016. The pick up in trade reflects the improved performance of global trade. In 2017, African landlocked developing countries' imports increased to $61.4 billion from $59.8 billion in 2016. This 3 per cent gain was, however, more moderate than the 11 per cent increase recorded over the same period by non-African landlocked developing countries. The trade balance of African landlocked developing countries remained relatively stable at a deficit of $24.2 billion. Notably, the increased exports for non-African landlocked developing countries led to a considerable reduction in their trade deficit.

23. The potential of intra-African trade to act as a channel to industrialization because of its greater industrial content is highlighted in the Economic Report on Africa 2015.[8] In 2016, 30 per cent of the intra-African trade of African landlocked developing countries was in manufactured goods,

[8] *Economic Report on Africa: Industrializing through Trade* (United Nations publication, Sales No. E.15.11.K.2).

supporting that view. While there are large differences among countries,[9] African landlocked developing countries (with the exception of Ethiopia and the Niger) recorded a higher share of manufacturing exports when only intra-African trade is considered. The share of intra-African trade for African landlocked developing countries was also relatively high, at 29 per cent, compared to the continental average of 18 per cent.[10]

Figure VI
Merchandise trade in African landlocked developing countries versus other landlocked developing countries (in millions of United States dollars)



Source: ECA calculations based on United Nations Conference on Trade and Development, UNCTADStat data. Available from http://unctadstat.unctad.org/EN/.

24. In 2017, the United Nations regional commissions produced the second edition of the Global Survey on Trade Facilitation and Paperless Trade. While the sample size (16 African countries of which seven are landlocked developing countries) for the survey does not allow for full extrapolation of implementation rates associated with trade facilitation and paperless trade for the continent, it is clear that African countries were lagging when compared to global results. For the countries included in 2017, the overall implementation rate was about 51 per cent, relative to a global average of 60 per cent. Regionally, according to the survey, trade facilitation measures relating to formalities tended to be implemented more (on average, 64 per cent). On the other hand, for costly cross-border paperless trade measures, the implementation rate was 22 per cent. The results for landlocked developing countries largely reflect the regional trend conveyed above. Interestingly, most African landlocked developing countries reported a relatively high implementation rate for transparency measures. In many of those countries, rate that exceeded the regional average.

Priority 4: Regional integration and cooperation

25. There is sufficient evidence to support the view that regional integration is a key vehicle for the African continent to raise its competitiveness, diversify its economic base and create enough jobs for its young, rapidly urbanizing population. In line with the implementation of AfCFTA, intra-African trade is projected to continue to grow among African countries as regional integration

[9] For example, of the total exports of Botswana and Burkina Faso, 5 and 4 per cent of them, respectively, are manufactured goods, while Eswatini and Lesotho reported that 50 and 67 per cent of their total exports, respectively, were manufactured goods.

[10] The 2018 PIDA progress report. Available at https://www.tralac.org/documents/resources/african-union/2509-2018-pida-progress-report-summary-update/file.html.

remains as a useful vehicle for reducing trade barriers, paving a way and creating a conducive environment for private sector to operate. Regional integration is also central for attracting more FDI in many African countries. For landlocked developing countries, regional coordination plays an integral role in efforts to achieve economies of scale for infrastructure investments across borders, and to reduce transit costs through harmonized and consolidated transit procedures.

26. The economic integration of Africa reached a new milestone on 21 March 2018 when 44 African Union member States signed the agreement to establish AfCFTA in Kigali. African landlocked developing countries are actively involved in regional trade agreements and economic blocks. The countries in that group participate in at least one regional or bilateral agreement or arrangement. The share of landlocked developing countries (with the exception of Central African Republic) of intra-African imports ranges (with the exception of one such country) between 13 and 58 per cent. In addition, on average, 56 per cent of intra-African imports come from within the same regional economic community, whereas that share exceeds 70 per cent for 11 of the 16 African landlocked developing countries. Implementation of the AfCFTA agreement is envisioned to result in reduced tariffs and the elimination of non-tariff barriers, as the agreement contains provisions for the benefit of landlocked developing countries, such as those on trade facilitation, transit and customs cooperation. In addition, it can facilitate their integration into regional value chains and expand their trade capabilities. Those benefits are well recognized, as all the African landlocked developing countries, with the exception of Burundi, have signed the Kigali Declaration. In addition, 12 of them have signed the consolidated AfCFTA agreement and 11 have also signed the protocol for free movement of persons.

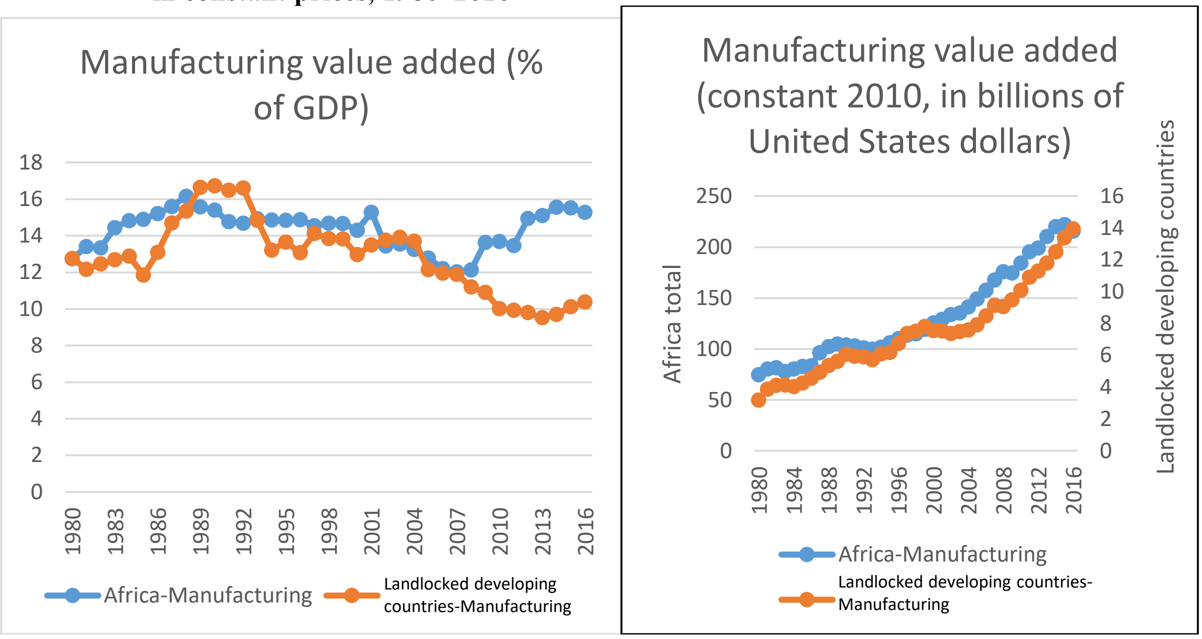
Priority 5: Structural economic transformation

27. Industrialization is an important factor advancing structural transformation under the scenario of expanding landlocked developing countries manufacturing production and exports and increasing their sophistication while moving labour out of low-productivity agriculture into higher productivity manufacturing.[11] This has been the case with many countries in Asia, but not with countries in Africa. In many African countries, including landlocked developing countries, the share of manufacturing in GDP and in employment has declined, while the services sector has been the strongest factor supporting economic growth, rising from 45 per cent of value added in 2000 to 50 per cent in 2016.[12] Meanwhile, manufacturing and agriculture declined from 13 per cent and 28 per cent to 10 per cent to 26 per cent, respectively, over the same period. After declining for nearly two decades, the shares of manufacturing value added in GDP in African countries as a whole reversed course in 2007, but they continued to decline in landlocked developing countries (figure 7, left panel). This is an indication of the landlocked developing countries' limited capacity to produce and export manufactured goods. The dependence of landlocked developing countries on primary commodities make them vulnerable to volatility in commodity prices. Accordingly, greater efforts are required to promote value-addition, diversification and industrialization.

[11] African Center for Economic Transformation, *African Transformation Report* (Accra, ACET, 2014).

[12] ECA calculations based on data from World Bank (2018). World Bank. 2018. World Development Indicators database. Available at http:// databank.worldbank.org/data/reports (Accessed in April 2018).

Figure VII
Manufacturing value added as a share of gross domestic product in Africa in constant prices, 1980–2016[13]



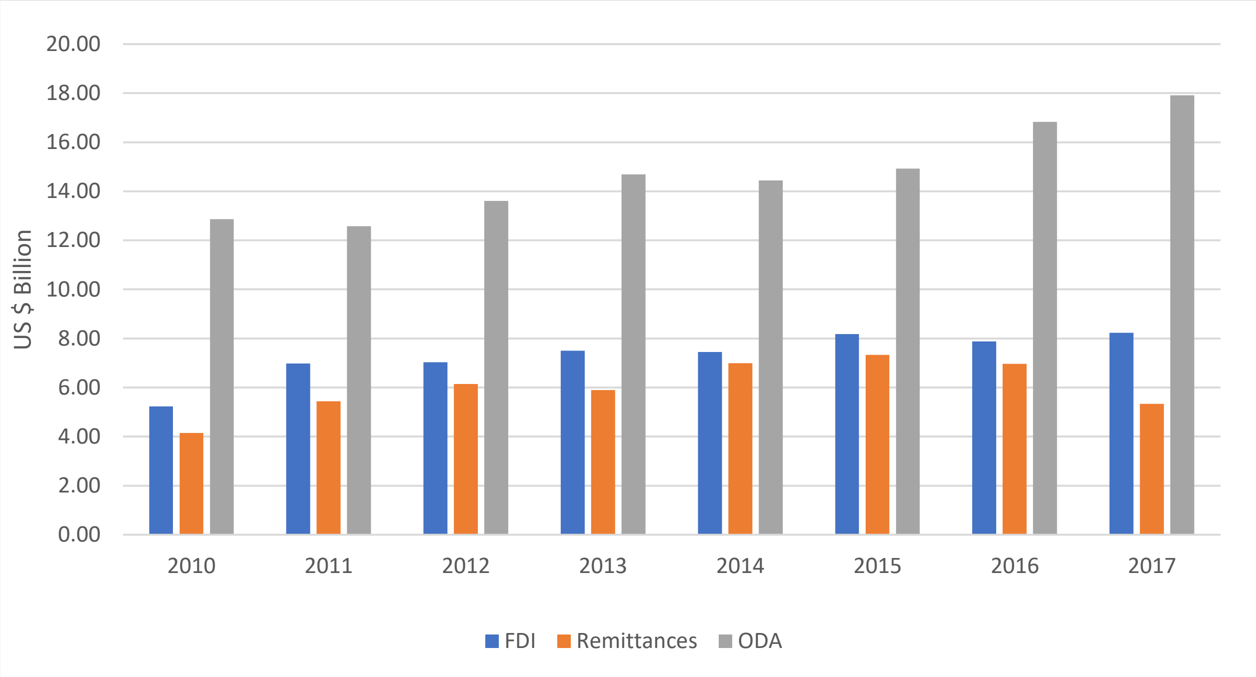
Source: Calculations based on data from World Bank, World Development Indicators database. Available at http://databank.worldbank.org/data/reports (accessed in April 2018).

Priority 6: Means of implementation

28. In 2017, African landlocked developing countries received $17.9 billion in overseas development assistance (ODA), a real increase of 24 per cent since the adoption of the Vienna Programme of Action. However, ODA was unevenly distributed among them, with three countries receiving 46 per cent of the total amount. Figure VIII shows the relative importance of ODA for the African landlocked developing countries, as compared to other sources of financing. In that figure, the upward trend in real ODA flows to those countries since 2010 is charted. In 2016, ODA inflows accounted for more than 10 per cent of GNI in six African landlocked developing countries. In 2017, African landlocked developing countries received $8.2 billion in FDI flows, which amounted to 0.58 per cent of total global FDI inflows and 36.2 per cent of FDI inflows to all landlocked developing countries. The latter figure represents a 10.2 per cent increase in the share of FDI flows to African landlocked developing countries, as compared to other landlocked developing countries. Figure VIII also shows that FDI flows to the African landlocked developing countries have been increasing since 2010, apart from a slight decline in 2016. The FDI inflows to the African landlocked developing countries have been highly concentrated, with three countries accounting for 65.4 per cent of the total flows in 2017. A large share of the FDI flows were committed to the extractive sector, specifically, mining, quarrying and petroleum. The top five-investor economies by FDI stock for African landlocked developing countries in 2016 were China ($29 billion), France ($13 billion), Canada ($6 billion), South Africa ($4 billion) and Thailand ($3 billion). This ranking is an indication of the growing importance of South-South cooperation for landlocked developing countries.

[13] This excludes data from Mali, the Niger and South Sudan because of the unavailability of data.

Figure VIII
Official development assistance, foreign direct investment and remittances to African landlocked developing countries (billions of United States dollars)



Sources: World Bank, World Development Indicators database. Available at http://databank.worldbank.org/data/reports (accessed in April 2018); United Nations Conference on Trade and Development, UNCTADStat data. Available from http://unctadstat.unctad.org/EN/.

29. In 2017, African landlocked developing countries received $5.34 billion in remittances, which was $1.6 billion less than the amount received in 2014. Remittance inflows to African landlocked developing countries were unevenly distributed, with the top three recipients accounting for 58.8 per cent of the inflows in 2016.

Conclusions and recommendations

30. Landlocked developing countries, including those in Africa, are making efforts and progress towards the implementation of the Vienna Programme of Action. The progress has been slow, and work needs to be accelerated to achieve the objectives of the Vienna Programme of Action by 2024 and the Sustainable Development Goals by 2030. There must be more focus on addressing the special challenges associated with landlockedness to ensure that landlocked developing countries are not left behind.

The following recommendations are proposed based on the review

1. Landlocked developing countries and transit countries are encouraged to foster cooperation, and ratify and effectively implement relevant international and regional conventions and agreements (such as the AfCFTA agreement). International development partners, United Nations organizations and other international and regional organizations are encouraged to support landlocked developing and transit countries with technical, financial and capacity-building support to ensure effective implementation of relevant international and regional agreements, including the WTO Trade Facilitation Agreement and regional and bilateral initiatives, aimed at facilitating trade.

2. To facilitate assistance for implementation of the WTO Trade Facilitation Agreement, landlocked developing countries need to indicate their capacity needs for the measures notified under Category-C. Countries

that have highlighted their capacity gaps should be supported in their effort to implement the Agreement.

3. Regional initiatives, including AfCFTA and PIDA, provide opportunities for landlocked developing countries to integrate into the regional and global economies. Accordingly, the implementation of them is imperative.

4. Multilateral and regional development banks are encouraged to support landlocked developing countries and transit countries in developing bankable infrastructure and transport projects that are financially viable and environmentally friendly, and provide resources to implement the projects.

5. Governments and the private sector are encouraged to work together to launch PPPs to support transport, ICT and energy infrastructure development.

6. International partners are also encouraged to provide institutional support and capacity-building for transaction management, project management and project structuring.

7. Regional bodies and their members are encouraged to prioritize programmes of infrastructure development involving landlocked developing countries, as often other countries may have different priorities, thereby resulting in the interests of landlocked developing countries not being addressed.

8. Development partners, the United Nations system, international and regional organizations, the private sector and other stakeholders should consider assisting landlocked developing countries to develop ICT infrastructure and help ensure that appropriate policies, legal and regulatory frameworks are in place to support ICT development and to close the digital divide. This will help landlocked developing countries in efforts to capitalize on opportunities from e-commerce.

9. Greater mainstreaming of the Vienna Programme of Action into the development programmes at national and regional levels is essential, including programmes involving ring fencing in each region with ring-fenced budgets to address bottlenecks in transport and trade facilitation for landlocked developing countries, with clear targets and benchmarks to be reviewed on a regular basis.

10. African landlocked developing countries are encouraged to focus on enhancing their capacity in modern higher value-added products, high-productivity sectors and industrializing the agriculture sector, and should continue to use new and existing technology in the production of manufactured products in order to add value to their products and link into regional and global value chains.

11. African landlocked developing countries should continue to make improvements in the enabling regulatory environment for business, which is crucial for developing a strong industrial base and attracting investment. Development partners are invited to provide technical, financial and capacity-building assistance to support such efforts.

12. African landlocked developing countries should fully participate in the entire preparatory process of the midterm review on the implementation of the Vienna Programme of Action, to be held in December 2019. The international community should give particular importance to the preparatory process and actively support and participate in the midterm review.