

**Report of UNECA/UN-OHRLLS Midterm Review of the
Implementation of the Vienna Programme of Action for LLDCs for
the Decade 2014-2024 in the Africa Region**

Marrakesh, Morocco, 18-19 March 2019

The Regional Review meeting was held as an activity of the project led by UN-OHRLLS entitled: Strengthening the capacity of Landlocked Developing Countries under the “Belt and Road Initiative” to design and implement policies that promote transport connectivity for the achievement of the SDGs which is funded by the 2030 Agenda for Sustainable Development Sub-Fund - United Nations Peace and Development Trust Fund. Other sources of funding for the meeting that include the Government of India; and UNECA are gratefully acknowledged.

I. Introduction

1. The Midterm Review of the Implementation of the Vienna Programme of Action for LLDCs for the decade 2014-2024 in the Africa Region was held in Marrakesh, Morocco from 18-19 March 2019.
2. The meeting held seven thematic sessions: Session 1 on Introduction of the Progress Report for the Meeting; Session 2 on Fundamental Transit Policy Issues; Session 3 on Connectivity and Transport Infrastructure Development; Session 4 on ICT Connectivity, Sustainable Energy and Regional Integration; Session 5 on International Trade and Trade Facilitation; Session 6 on Structural Economic Transformation; Session 7 on Means of Implementation, Partnerships and Follow-up and Review.
3. The meeting elected H.E. Mr. Eric Yemdaogo Tiare, Permanent Representative of Burkina Faso to the United Nations as Chair of the meeting, Ms. Helen Kayiza Kasozi, Head of International and Economic Department of Ministry of Foreign Affairs of Uganda and Mr. Gideon Mmolawa, Director, Department of International Trade of Botswana were elected as Vice Chairs.
4. The Outcome Document adopted by the Meeting is contained in annex I. The list of participants of the Meeting is contained in annex II.

II. Opening of the Meeting

5. The opening session was moderated by Ms. Heidi Schroderus-Fox, Director, UN-OHRLLS. Opening statements were made by Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS); Ms. Mounia Boucetta, Secretary of State to the Minister of Foreign Affairs and International Cooperation of Morocco; Mr. Philippe Poinot, United Nations Resident Coordinator; and Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA who spoke on speaking on behalf of Mr. Adam Elhiraika, Director of Macroeconomic and Governance Division, UNECA.
6. In her opening statement, Ms. Fekitamoeloa Katoa ‘Utoikamanu welcomed participants to the meeting and expressed her gratitude to the Government of Morocco for their hospitality and support in organizing the meeting. She also thanked UNECA for the excellent partnership and collaboration in organizing the meeting.
7. Ms. ‘Utoikamanu highlighted that the year 2019 was an important milestone in the implementation of the Vienna Programme of Action (VPoA). She expressed concern over the slow progress achieved in the implementation of the VPoA by LLDCs. She noted that there had been some progress in the economic development of the LLDCs but pointed out that in many instances the LLDCs lag behind the averages of developing countries on certain socioeconomic indicators. She highlighted that the impacts of climate change, especially

drought, desertification, land degradation and melting disproportionately affect LLDCs including their food security, development and peace.

8. She expressed concern that the progress achieved by LLDCs thus far is insufficient to meet the SDGs. She noted that LLDCs' share in global merchandise trade remained below 1% and was limited to fewer commodities. She observed that the implementation of the WTO Trade Facilitation Agreement (TFA) was low among LLDCs and called for enhanced support to implement the TFA. She applauded efforts made at regional, sub-regional and national levels to facilitating trade including the established Online Trade Information Portals by Botswana, Lesotho, Zimbabwe and all countries in the East African Community; and the establishment of One-Stop Border posts by Kenya and Uganda. She emphasized the importance of efficient transit for the integration of LLDCs into regional and global trade and in reducing trade costs. She did however express great concern with low ratification of the relevant international conventions by African LLDCs. She highlighted that initiatives such as the African Continental Free Trade Area and Programme for Infrastructure Development in Africa (PIDA) bring positive prospects for African LLDCs' and their further integration into regional and global networks.
9. On infrastructure particularly energy, ICT and water she expressed concern that LLDCs still lag behind on infrastructure development and that they lack the capacity to address infrastructure challenges. She noted with appreciation that infrastructure development was a priority for the African region and she highlighted that hopes were high that PIDA will address the infrastructure deficit and that it would greatly benefit the African LLDCs. She commended the progress already achieved in the implementation of the PIDA. Ms. 'Utoikamanu noted that the costs associated with infrastructure development were huge and she called for enhanced partnerships and technical support including in developing bankable projects.
10. She expressed concern that LLDC economies are mainly driven by primary commodities and that manufacturing as percentage of GDP was only 10% for the Sub-Saharan Africa in 2016. She emphasized that a huge push was necessary to channel productive resources towards the higher value added and high productive sectors and activities. She stressed the need for enhanced support through training, skill development, and technology transfer and increased investment in research, science and technology. She called on the LLDCs to ensure that their policies support structural economic transformation. She further emphasized the importance of the services sector in achieving structural transformation. Regarding FDI, she highlighted that attracting investment and retaining it remained a challenge for the LLDCs. She noted that most of the FDI going to LLDCs was directed towards extractive sectors which have very limited linkages with the rest of the economy and have limited capacity to build skills.
11. In view of the persistent challenges of the LLDCs, she called for innovative ideas to address these challenges and she called on all stakeholders to collectively work towards ensuring the LLDCs are not left behind. She highlighted that the meeting was an opportunity to share experiences on the implementation of the VPoA in Africa.
12. She briefed the meeting about the processes leading to the High-level Comprehensive midterm review to be held in December 2019 in New York highlighting that the President of the General

Assembly has appointed the Permanent Representatives of Bhutan and Austria to the UN in New York as co-facilitators for the midterm review. She communicated that the co-facilitators H.E. the Permanent Representatives of Bhutan and Austria; a member of the Bureau of the LLDC Group H.E. Permanent Representative of Burkina Faso to UN; H.E. the Permanent Representative of Burundi; and some members of the core group of negotiators for the LLDC Group in New York were in attendance. She highlighted that their presence would ensure that the discussions of the meeting would be brought into the intergovernmental negotiations in New York.

13. She informed the meeting that as part of the preparatory process, LLDCs were requested to submit national reports and 17 LLDCs, including 6 from the Africa region had submitted their national reports on the implementation of the VPoA. She appealed to countries who had not submitted their national reports to do so, as these reports are significant inputs for global preparations. She communicated that as part of the preparatory process, the UN would continue to organize thematic events on different issues that are of importance to LLDCs. She highlighted the pre-conference events that had already been organized in particular, the Ministerial Meeting of LLDCs on Trade and Transport in Kazakhstan; the inaugural Conference of the International Think Tank for LLDCs, a workshop on transit and border cooperation; and a number of LLDCs specific side events which took place during major global fora focused on key concerns such as energy, aviation, foreign direct investment, climate change. She indicated that UNESCAP, UNECE, UNCTAD, the International Think Tank for LLDCs and other organizations have also organized LLDC focused pre-conference events.
14. She added that more preconference thematic events would be organized during the year and that the topics to be covered would include trade facilitation; ICT connectivity; science, technology and innovation for structural transformation; and trade and transport corridors. She highlighted that a dedicated retreat will be organized in New York that will bring together LLDCs, transit countries, development partners and international organizations to consult on the outcome document of the Midterm Review. She called on the participants to support and participate in the midterm review process to ensure that the outcome is relevant, actionable and comprehensive. She pledged that OHRLLS will continue to mobilize the collective strength of the UN system to support the LLDCs. She emphasized that it was more important than ever for the entire UN system to better serve the needs of the Member States and deliver more effectively and efficiently. She concluded by acknowledging the financial support of the governments of China and India that enabled the regional consultation to take place.
15. Ms. Mounia Boucetta, Secretary of State to the Minister of Foreign Affairs and International Cooperation, Morocco welcomed the participants to the Kingdom of Morocco. She acknowledged the commitment of the Secretary-General of the United Nations and High Representative for LDCs, LLDCs and SIDS to the development of the LLDCs. She commended UNECA for its role in supporting the LLDCs in the region.
16. She noted that the meeting was an opportunity to assess progress made by the region over the last five years, to identify the difficulties encountered and to define the measures to be taken to accelerate the implementation of the commitments entered into in the framework of the Vienna Program of Action. She acknowledged the great strides made by Landlocked African

countries in development, democratic governance and the modernization of their institutions but noted that the constraints resulting from isolation continue to hamper their economic and social prospects. She listed lack of direct access to the sea, challenges of economic integration, high cost of cross-border transport, inadequate infrastructure, low investment, inadequate financial resources as obstacles which hinder the development of Landlocked African countries.

17. Furthermore, she recognized the global challenges faced by LLDCs such as climate change, desertification, biodiversity degradation, and terrorism. She emphasized that it was necessary to transform the political will towards addressing the challenges into actions, initiatives and partnerships. She stressed that the obstacles faced by LLDCs can only be fully addressed with the mobilization and efforts of all partners. She called on the donor community and transit countries to support LLDCs. She underlined that structural problems such as structural transformation, lack of productive capacities, lack of capacity to establish sustainable transport systems and improve their connectivity are common denominators in both LLDCs and transit countries. She emphasized that targeted support would immensely contribute to better positioning of African LLDCs in the Global Trade and consequently, increase their competitiveness, growth and their ability to achieve their development objectives together with the Sustainable Development Goals.
18. She highlighted that the Kingdom of Morocco places African Partnership at the center of its foreign policy based on solidarity and mutual benefit, at the bilateral, regional and multilateral levels. She emphasized that South-South cooperation, particularly in Africa, was one of the priorities of the Kingdom to contribute to the development of the continent. She noted that the Moroccan Constitution adopted in 2011 stipulates that "Morocco is committed to consolidating relations of cooperation and solidarity with the peoples and countries of Africa (...) and strengthen South-South cooperation ". She highlighted that the visits made by the His Majesty King Mohammed VI to several African countries, including the landlocked countries (Burkina Faso, Ethiopia, Mali, Niger, Rwanda, South Sudan and Zambia and many others) and some transit countries demonstrates the attention given by the Kingdom of Morocco to cooperation and partnership with her African peers.
19. She indicated that in accordance with cooperation and partnership efforts which cover several areas such as, trade, health, infrastructure, industry, energy, water, fishing, agriculture tourism; various socio-economic projects have also been initiated or implemented. She highlighted the role of skills and qualifications of human resources in making meaningful contributions to the implementation of programs and added that the transformation and socio-economic development of the continent depends greatly on human resources. She noted that it is in this regard that Morocco attaches great importance to projects financing training centers in some African countries. She expanded that these projects include financing training program for trainers and granting of scholarships by the Moroccan Agency for Cooperation International (AMCI) in the field of university education and training. She highlighted that in the past 5 years, the number of foreign students in Morocco has tripled and was currently 7500 of which 68% come from some 40 African countries. Regarding trade, she highlighted that the Kingdom of Morocco has launched a duty free and quota free access for Africa LDCs exports. She indicated that this initiative was launched in 2000 by His Majesty King Mohammed VI to boost

trade relations between Morocco and the LDCs in Africa which has led to an increase in exports to the Moroccan market. She noted that the African Continental Free Trade Area will undoubtedly create new opportunities in terms of growth, trade and investment among all African countries. She stressed that African Continental Free Trade Area should be accompanied by appropriate measures to ensure favorable conditions to countries, particularly landlocked countries.

20. She pledged that the Kingdom of Morocco will continue its efforts to consolidate its cooperation with landlocked African countries and establish mutually beneficial partnerships which not only take into consideration the real needs of landlocked countries but also focus on sharing experiences, expertise and good practices. She emphasized the importance of South-South Cooperation as a tool to contribute to success of the implementation of the Vienna Program of Action. She recalled that the Vienna Program of Action continues to raise great hopes for the LLDCs and emphasized that the midterm review should evaluate efforts made to implement the VPoA along with its ability to achieve the goals outlined for the next five years. She further emphasized the need to mobilize all the stakeholders and to give a new impetus on regional cooperation and the fulfillment of the commitments of the Vienna Program of Action and the 2030 Agenda for sustainable development. She emphasized that mobilizing resources for infrastructure development remained essential to the advancement of the implementation of the VPoA. She indicated that the needs in Africa are valued at more than 90 billion dollars annually and therefore require mobilizing efforts towards applicable and sustainable solutions that respect the interests of countries. She emphasized the need to build and maintain synergies with other programs to maximize impact. In her closing remarks, Ms. Boucetta expressed Morocco's commitment to working with all development partners to contribute, including through South-South and Triangular Cooperation, to support landlocked African countries in the implementation of the Vienna Program of Action.
21. Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA speaking on behalf of Mr. Adam Elhiraika, Director of Macroeconomic and Governance Division, welcomed and thanked the participants for attending the meeting. He also thanked the Government of the Kingdom of Morocco for hosting the event and UN-OHRLLS for collaboration in organizing the meeting. He noted that half of the 32 LLDCs were in Africa and highlighted that these countries are faced with special trade and developmental challenges because of geographical location. He highlighted that the 2030 Agenda for Sustainable Development recognizes the role of transport connectivity and international trade in achieving Sustainable Development Goals and noted that the China's Belt and Road Initiative also promotes transport connectivity for the achievement of the SDGs and strengthens the capacity of LLDCs. He also highlighted that Agenda 2063: - a long-term continental framework for development dubbed "the Africa We Want"- has seven objectives, two of which provide details on how the continent will enhance its trade potential.
22. Reflecting on the progress achieved in the implementation of the VPoA by the Africa Region, he indicated that African LLDCs are making efforts and progress towards the implementation of the VPoA but progress was slow in attaining the objectives of the VPoA by 2024 as well as SDGs by 2030. He called for acceleration of efforts to address special challenges of LLDCs. He informed the meeting that UNECA had mostly mainstreamed the VPoA into the work

programme and continued to carry out relevant activities to address LLDCs' constraints in a holistic manner. He gave the example of the Commission's activities so as to illustrate that facilitation of the implementation of the VPoA. He noted that the Commission's activities included: the establishment of Africa Corridor Management Association (ACMA) facilitated by the Regional Integration and Trade Division; at national level the Commission provides support on policymaking, programme implementation and stakeholder coordination; and at the sub regional and regional levels the Commission provides support on analytical work, networking, knowledge-sharing, transit cooperation and regional integration. He further highlighted that the Commission provides support towards the establishment of the African Continental Free Trade Area (AfCFTA) and underlined that the Commission was instrumental in designing the framework for product diversification which enables smaller African producers to realize economies of scale.

23. He highlighted that LLDCs tend to be further disadvantaged in their efforts to industrialize and integrate into regional and global value chains due to higher costs of freight and unpredictable transit times. He pointed out that the AfCFTA could provide particular benefits that could address these challenges as it includes provisions on trade facilitation, transit and customs cooperation in addition to reduced tariffs. He noted that these benefits were well recognized, as all African LLDCs, except for Burundi, signed at least the Kigali Declaration. 12 LLDCs signed the consolidated AfCFTA agreement, 11 also signed the protocol for free movement of persons. He emphasized that the AfCFTA can serve as an effective instrument for regional integration, promotion of industrial development and economic diversification and the enhancement of the participation of the member states and LLDCs in particular, in regional and global trade. He emphasized that vigorously pursuing the objectives of the AfCFTA which are aimed at achieving a comprehensive and mutually beneficial trade agreement among member states of the African Union (AU) will integrate LLDCs into the regional and global value chains. He further noted that the African industrialization agenda can be enhanced by the ratification and implementation of the WTO-Trade Facilitation Agreement (TFA) as it creates opportunity to improve commerce and the multilateral trade system.
24. He concluded his remarks by emphasizing that the challenges of the LLDCs can be alleviated with full commitment and concerted efforts from all stakeholders and institutions: nationally, continental and globally. He further emphasized that regional initiatives with the direct involvement of the private sector in the formulation and implementation of a conducive policy environment, peer reviews from enterprising stakeholders setting the pace for integration, and innovative solutions should define the new approaches that would facilitate maximum benefits from integration as well as attaining the targets of VPoA and indeed Agenda 2063 and 2030 Agenda for Sustainable Development.
25. Mr. Philippe Poinot, Resident Coordinator, United Nations welcomed participants of the meeting. He thanked the organizers for giving him the opportunity to speak in the opening session of the meeting. He thanked the Kingdom of Morocco for the excellent relationship with the United Nation Development System in Morocco and particularly for the many south-south cooperation as well as the triangular initiatives. He expressed his appreciation to Morocco for hosting the meeting and emphasized that Morocco has a crucial role as a sub-regional

economic power in contributing to the implementation of the recommendations of the Vienna Programme of Action.

26. Mr. Poinsoot recalled that the international community had adopted an ambitious 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals. He expressed concern that for the LDCs and LLDCs achieving the SDGs is a challenge. He indicated that for the LLDCs the geographical challenges are also compounded by challenges related to food security, energy, trade, and industrialization. He emphasized that it is of utmost importance that these countries are supported in their efforts to achieve the SDGs. He highlighted that as the Country Team of the UN Development System they would listen to the good practices and recommendations presented by the meeting and the national reports that are submitted as part of the midterm review so as to play a better role in the development of the countries. Mr. Poinsoot highlighted the importance of supporting LLDCs in achieving SDGs.

III. Election of the Bureau

27. The meeting elected H.E. Mr. Eric Yemdaogo Tiare, Permanent Representative of Burkina Faso to the United Nations as Chair of the meeting, Ms. Helen Kayiza Kasozi, Head of International and Economic Department of Ministry of Foreign Affairs of Uganda and Mr. Gideon Mmolawa, Director, Department of International Trade of Botswana were elected as Vice Chair.

IV. Sessions

28. The Meeting held 7 sessions, which comprised of presentations by panelists, followed by country interventions and interactive discussion.

Session 1: Introduction of the Progress Report for the Meeting

29. The session was moderated by Ms. Heidi Schroderus-Fox, Director, UN-OHRLLS. In this session Ms. Gladys Mutangadura, Senior Programme Officer, UN-OHRLLS and Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA gave an overview of progress achieved in the implementation of the Vienna Programme of Action as reflected in the draft background report on Improving Transport Connectivity for LLDCs and the Status of Implementation of the Vienna Programme of Action in the Africa Region. The presentations highlighted progress achieved, challenges faced and provided recommendations on how the implementation of the VPoA can be accelerated.
30. Ms. Gladys Mutangadura's presentation focused on VPoA Priority Areas: (1) Fundamental transit policy issues, (2) Infrastructure development and maintenance, and (6) Means of Implementation. In her presentation she highlighted that progress has been achieved in the ratification of the WTO Trade Facilitation Agreement as 24 out of the 26 LLDCs that are WTO Members have ratified the Agreement. She also noted that there were regional initiatives that would have a positive impact on transit such as the African Continental Free Trade Area, the 30-day visa on arrival for all citizens of African continent. Regarding infrastructure development, she highlighted that there has been significant progress and notable achievement

made to close the missing links, expand transport, energy and ICT infrastructure. She however pointed out that there were still some challenges, and these included infrastructure funding gap. To address the infrastructure challenges, she highlighted that the report recommended the need to enhance collaboration and partnerships between LLDCs and transit countries; between public and private sector; and with the UN System, multilateral and regional financial institutions. With regards to means of implementation she indicated that although efforts were made to mobilize domestic resources, domestic resources were still insufficient. She also noted that the report encourages partners to increase ODA to LLDCs. She pointed out that there is a need for LLDCs to adopt policy and measures to further attract and retain FDI.

31. Mr. Francis Ikome's presentation focused on Priority Areas: (3) International Trade and Trade Facilitation, (4) Regional Integration, and (5) Structural Transformation. Regarding international trade, Mr. Ikome highlighted that African LLDCs' merchandise exports decreased from US\$2.9 billion in 2014 to US\$2.5 billion in 2017 and that their share of merchandise exports as a percentage of the total world trade declined from approximately 0.23 in 2014 to 0.21% in 2017. He noted that while the LLDCs' share of global trade is relatively low compared to their transit counterparts, trade remains very important to their economies. Mr. Ikome pointed out that LLDCs are still highly dependent on primary goods for exports and emphasized the need for diversification and value addition. On trade facilitation, he noted that several trade facilitation measures such as customs and border management, the introduction of One-Stop-Border-Posts overload control measures, implementation of harmonized road user charges and the Smart Corridor concept had been implemented over the review period. He however stressed the necessity of effective implementation of the WTO Trade Facilitation Agreement. With regards to regional integration, Mr. Ikome indicated that 44 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. He noted that Intra-African trade was expected to continue to grow as further integration would serve as a useful vehicle for reducing some of the trade barriers, paving way and creating a conducive environment for private sector to operate. He highlighted that African LLDCs had become increasingly active participants in regional trade agreements and economic blocks.
32. On structural economic transformation, he highlighted that the informal sector was still a defining feature of the African labor market as informal economy accounts for an estimated 50–80% of GDP, 60–80% of employment, and up to 90% of new jobs in Africa. He pointed out that more than 60% of the population performs low-paid informal jobs. With respect to actions taken by the Region to facilitate structural economic transformation he indicated that the African Union with Pan African Institute had launched the Accelerated Industrial Development Plan for Africa (AIDA) and an Action Plan for AIDA had been developed to guide its implementation. He highlighted that the Regional Economic Communities also developed industrialization strategies and further highlighted that priority development pathway chains associates with specific regional and global value chains included agro-processing; minerals beneficiation; pharmaceutical industries value chains; capital goods manufacturing; forestry products; and service cluster.

Session 2: Fundamental Transit Policy Issues

33. The session was moderated by Ms. Heidi Schroderus-Fox, Director, UN-OHRLLS. In this session presentations were made by Ms. Gladys Mutangadura, Senior Programme Officer, UN-OHRLLS; Ms. Jane Karonga Economic, Affairs Officer, Regional Integration and Trade Division, UNECA; Mr. Raul Torres, Counsellor, Development Division, World Trade Organization. The presentations were followed by countries' intervention.
34. The session was aimed at discussing and sharing experiences on progress made, challenges, opportunities and best practices in improving connectivity through policy coordination and harmonization since the adoption of the Vienna Programme of Action and suggest recommendations. It also reviewed progress made on regional legal frameworks for transit.
35. Giving an overview of progress achieved globally, Ms. Gladys Mutangadura indicated that 13 LLDCs of the 14 that are WTO Members and 13 transit countries had ratified the WTO Trade Facilitation Agreement. She emphasized that a strong supportive legal framework is important for promoting harmonization, simplification and standardization of rules, documents and procedures to promote transit. She noted however that limited progress had been made regarding the ratified international conventions since 1 LLDC and 3 transit countries ratified the WCO Revised Kyoto Convention over the review period; and no LLDC nor transit country ratified the TIR Convention nor the Convention on the Harmonization of Frontier Controls of Goods during the review period. She highlighted several key indicators related to transit to illustrate that progress had been achieved in facilitating transit. She noted that there had been a reduction in the following: travel time along the corridors, cargo dwell times at seaports and time spent at the land borders. On the contrary, Ms. Mutangadura recognized that some challenges remain including: unavailability of data to monitor the indicators and that some corridors and ports had not yet attained the specific VPoA targets. In summation, Ms. Mutangadura emphasized the need for LLDCs and transit countries to ratify and implement international and regional agreements on transit. She further emphasized the need for scaling up technical assistance by international organizations; increased usage of tools to promote transit; and reducing time of transit between LLDCs and transit countries.
36. Ms. Jane Karonga, Economic Affairs Officer, Regional Integration and Trade Division, UNECA in her presentation focused on the progress achieved at regional level on fundamental transit policy issues. She highlighted that transit policy frameworks for LLDCs in Africa was guided by VPoA, SDGs, Agenda 2063, PIDA, and African Maritime Transport Charter. She added that the AfCFTA has potential benefits for African countries in terms of employment, industrial linkages, economic diversification and structural economic transformation. She informed that 20 countries ratified the Agreement establishing the AfCFTA and that the Agreement will enter into force after 2 more ratifications. Furthermore, Ms. Karonga indicated that 20 countries had ratified the Single African Air Transport Market (SAATM) and that offers enhanced access to markets for LLDCs.
37. On other initiatives that would facilitate transit she mentioned the following: Tripartite Transport and Transit Facilitation Programme which aims at harmonized vehicle load management, vehicle regulation and standards amongst other; African Maritime Charter which

aims to harmonize maritime transport policies amongst others; and African Corridor Management Alliance (ACMA) which aims to enhance cooperation and coordination, and promote information sharing among corridor management institutes in Africa. On the support offered by UNECA she indicated that UNECA supported Pan-African Chamber of Commerce and Industry (PACCI) on popularizing paperless trading through single windows (SWs) and this involved undertaking case studies that were being developed on Kenya and Nigeria on SW implementation. She further informed the meeting that UNECA provided support to African Alliance on E-Commerce (AAEC) on its establishment and its work including an ongoing project on producing guidelines on implementation of single windows. Furthermore, she pointed out that UNECA conducts robust research and training that informs policy makers and collaborates with partners to support African member countries especially landlocked countries. She concluded that instruments for facilitating transit exist but noted that implementation remains a challenge. She reiterated the need to enhance implementation, advocacy and capacity building.

38. Mr. Raul Torres, Counsellor, Development Division, World Trade Organization presentation focused on Article 11 of the WTO Trade Facilitation Agreement (TFA) on the Freedom of Transit. He highlighted the key features of Article 11 of the TFA which include measures relating to: fees and charges, prohibition of voluntary constraints, products in transit, infrastructure for traffic in transit, guarantees, use of convoys, and appointment of national transit coordinators. Additionally, he gave an overview of the status of implementation of the Article 11. He noted that the implementation of Article 11 by the LLDCs was lower than that of the transit countries and developing countries. LLDCs notified about 43% of Article 11 notifiable measures as category A measures (measures already implemented) compared to about 49% and 71% for transit countries and developing countries.

Summary of Interventions by Countries

39. Participants made interventions sharing their national experiences on the implementation of transit policy issues. The following countries made interventions in this session: South Sudan, Burundi, Malawi, Benin, Uganda, Niger, Eritrea, Senegal and Zimbabwe. In their presentations these countries highlighted initiatives undertaken at national, sub-regional and regional levels to facilitate transit. Initiatives highlighted included: corridor initiatives such as the North-South Corridor (NSC), Beira Corridor and Trans-Kalahari Corridor. They also shared national experiences on progress achieved in the implementation of relevant international Agreements that facilitate transit such as the WTO Trade facilitation Agreement, Revised Kyoto Convention, TIR Convention of 1975 and the International Convention on the Harmonization of Frontier Controls of Goods. They shared experiences on regional initiatives including: AfCFTA, Yellow Card Insurance Scheme, Carrier License and the Customs Bond Guarantee Scheme (RCTG); harmonized road transit charges with SADC; SADC standardized Axle load limits and COMESA Vehicle dimensions requirements; Protocol on Free Movement of People and CFTA and electronic cargo tracking system.
40. They also highlighted challenges that contribute to delayed progress in achieving the objectives set under the priority area on Fundamental transit policy issues and these included: underdeveloped infrastructure and inadequate financial and human resources. They stressed

the need to tackle port and transit services inefficiencies to achieve meaningful regional integration, robust international partnerships on infrastructural connectivity, enhancing technical and human capacities to address the bottlenecks regarding transit time and trade facilitation. They emphasized the importance of cordial bilateral relations. The participants called on development partners to provide support to enhance the capacity of the LLDCs and Transit Countries to implement and adhere to relevant international agreements.

41. The challenges brought about by climate change in particular the destruction of infrastructure was also recognized. The destruction caused by Cyclone Idai in Malawi and Zimbabwe was cited as example.

Session 3: Connectivity and Transport Infrastructure Development

42. The session was moderated by Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, and Reporting Service, UN-OHRLLS. The session aimed to discuss and share experiences on progress made, challenges, opportunities and best practices in improving connectivity for the LLDCs including both the hard and soft transport infrastructure since the adoption of the Vienna Programme of Action and make recommendations to build capacity and partnerships to enhance transport connectivity of the LLDCs. It also aimed to identify recommendations to utilize the opportunities presented by the Belt and Road Initiative. In this session presentations were made by Mr. Soteri Gatera, Senior Economic Affairs Officer, Energy, Infrastructure and Services Sector, Private Sector Development and Finance Division, UNECA and Ms. Zodwa Florence Mabuza, Principal Regional Integration Officer, African Development Bank Group (AfDB). The presentations were followed by countries' interventions.
43. In his introduction of the session Mr. Sandagdorj Erdenebileg highlighted the achievements made on transport infrastructure development. He informed the meeting that some progress had been achieved during the review period in particular in the completion of missing links in infrastructure development and improvement of legal and policy framework. He however highlighted that LLDCs lag behind the world on transport infrastructure development and that the African LLDCs are furthest behind. He gave examples of West and Central Africa that has rail density of 2.3 Kms per 1,000km² compared to world average of 9.5. He noted that the 2 subregions also have paved road density of 3.6 Kms per 1,000km² against the world average of 151 Kms.
44. He noted that lack of adequate transport infrastructure development and connectivity correlates with high trade transaction costs and therefore these are highest for African landlocked developing countries. He stressed that inadequate transport infrastructure adds approximately 30-40 percent to the costs of trade and this negatively impacts participation of these countries in global trade. He noted that in 2016, intra-African exports made up only 18 percent of total exports, compared to 59 and 69 percent for intra-Asia and intra-Europe trade, respectively. He highlighted that the AfCFTA is expected to enhance intra-regional trade of Africa. He emphasized that adequate infrastructure development and connectivity are prerequisites for realizing the potential benefits offered by the AfCFTA. He however noted the high costs associated with infrastructure development. He highlighted that according to estimates by the African Development Bank, the African continent's infrastructure needs amount to \$130–170

billion a year for all forms of infrastructure needs with transport sector accounting for \$35 to \$47 billion a year. He further highlighted that the total estimated financing gap was in the range \$68–\$108 billion for all forms of infrastructure. He recognized initiatives on infrastructure development undertaken in the region in particular the Programme for Infrastructure Development (PIDA). With respect to air transport, he highlighted that slow progress had been made between 2014 and 2018 in registered carriers and airfreight. He noted that key issues and challenges that constrained development of aviation industry in LLDCs include slow progress to liberalize air transport services, high tariffs and limited skilled personnel and lack of financial resources to build new aviation facilities, upgrade existing ones and maintenance.

45. Mr. Soteri Gatera, Senior Economic Affairs Officer, Energy, Infrastructure and Services Sector, Private Sector Development and Finance Division, UNECA presented on Connectivity and Transport Infrastructure Development in Africa. He highlighted that African Corridors are multimodal and consist of roads, rail, inland waterways and pipelines all linking African ports to hinterland capitals and beyond. He noted that the Corridors are vital for regional integration and stimulating economic growth and eliminating poverty. He noted with great concern that Africa's economic integration is hampered by large deficits in transport and energy infrastructure. He highlighted current transport corridors in Africa, which included the Lamu port – South Sudan – Ethiopia Transport (LAPSSET); Northern Corridor Transit and Transport Coordination (NCTTA); Central Corridor Transit Transport Facilitation Agency (CCTTFA); Maputo Corridor Logistics Initiative; Walvis Bay Corridor Group (WBCG); Abidjan – Lagos Corridor (ALCO); Dar-es-Salaam Corridor Committee; Abidjan-Ouagadougou-Bamako Corridor; Dakar-Bamako-Niamey Corridor; Djibouti-Addis Ababa Corridor; North-South Corridor; Praia – Dakar Abidjan Corridor; Pointe Noire – N'Djamena Corridor; Douala – Bangui – N'Djamena Corridor.
46. Mr. Gatera also informed about the Africa high speed railway connection. He noted the goal of Agenda 2063 on accelerating the physical and economic integration of Africa through High Speed Railway Connectivity with key guiding principles of connecting capitals and economic hubs; integrated approach; inter-operability; and selection of high-speed rail routes and corridors. He noted that Railways were an essential part of the Sustainable Development Agenda. He stressed that the lack of integrated Africa rail network is holding back the growth of African countries and intra-continental trade. He emphasized that roads can withstand the strain from trucks and further highlighted that cities are faced with congestion and pollution challenges. He noted that huge resources were needed to invest in infrastructure and rolling stock beyond the capacity of LLDCs and transit countries.
47. Regarding air transport, he highlighted that 28 countries, with total population of 700 million, more than 250 million potential passengers per year and covers 75% of Intra Africa Air transport, had signed the Single African Air Transport Market (SAATM). He emphasized the benefits of SAATM which include air service connectivity; over 25% lower fares; creation of jobs for the youths; integration, enhanced intra-African trade (AfCFTA); contribution to tourism growth; the survival of African airlines; and contribution to structural transformation of African economies.

48. Mr. Gatera also underlined the challenges associated with African Port System, which comprise of major traffic growth with expected quadrupling of port container traffic demand by 2030 and need for substantive terminal development; capacity limitation with rapid growth of traffic, low condition and capacity of shipping lines, and uncertainty about African ports private sector funding; and port customers demand competitive services and prices with strong competition with global supply chains. Mr. Gatera recalled the recent launch of the AfCFTA and noted that transport connectivity had become even more important. He emphasized that to deliver corridor infrastructure assets, including both the soft and hard infrastructure, it was necessary to mobilize financial resources for infrastructure projects. He further emphasized the need for increased participation of the private sector in infrastructure development and channeling remittances, pension funds to infrastructure projects. He concluded by highlighting that it was necessary to overhaul fiscal policies to optimize government revenue.
49. Ms. Zodwa Florence Mabuza, Principal Regional Integration Officer, African Development Bank Group (AfDB) in her presentation focused on the Bank's Strategy on Connectivity and Infrastructure Development. She provided an overview of the Bank highlighting that its mission is to spur economic development and social progress in Regional Member Countries by mobilizing and allocating resources for investment in Africa as well as by providing policy advice. She informed the meeting about the Bank's five strategies aimed at integrating Africa: Regional Integration Strategy Framework (RISF) - 2018-2025, infrastructure connectivity at the core of the Bank's operations (transport, energy and ICT); RISF anchored on 3 Pillars: Infrastructure Connectivity, Trade and Investment and Financial Integration; and Previous and current Regional Integration Strategy Papers focus on infrastructure Connectivity. She highlighted that the majority of LLDCs are in Africa and noted that these were associated with high inland transport costs.
50. She pointed out that Africa has infrastructure gap of 130-170 billion USD a year. She indicated that the Bank continues to finance transport, ICT and energy infrastructure. She gave examples of projects financed by the Bank which included: the Nairobi-Addis-Ababa Highway Phase II (completed in 2017), Kazungula Bridge - the bridge connects Zambia and Botswana across the Zambezi river; Nacala Corridor which forms part of the Spatial Development Initiative for Mozambique, Malawi and Zambia; Enugu-Bamenda Road part of the Trans-African Highway, link between Nigeria and Cameroon.
51. Furthermore, Ms. Mabuza presented examples of energy projects where 460 MW of new generation capacity was installed in 2018 and these included: the 151 MW from renewables, Nour Ouarzazate Project in Morocco, world's largest concentrated solar energy complex. Other projects included Ethiopia-Kenya Power Interconnector Phase I and II which was part of the Eastern Africa Power Pool which has 11 Members States; and Southern African Power Pool. She also noted that the Bank approved US\$322 million in 2018 to Burundi and Tanzania to Rumonge-Gitaza and Kabingo-Kasulu-Manyovu road upgrading project. She further highlighted that other initiatives related to infrastructure and connectivity included Trade and Transport Facilitation Toolkit; the Single Africa Air Transport Market (SAATM); and the Program for Infrastructure Development in Africa (PIDA)- with Priority Action comprising 51 programs and 433 actionable projects. Ms. Mabuza also highlighted challenges including huge demand for infrastructure financing – which is hardly met due to limited funding; a number of

the LLDCs are transition states with a high level of fragility (affecting the implementation of regional infrastructure projects); Non-Tariff-Barriers that are a major challenge in connecting landlocked countries – adding to high transportation costs; poor maintenance of the existing infrastructure and low implementation rate of the Trade Facilitation Measures (African countries hardly sue one another, opting for alternative dispute settlement mechanisms – which may delay resolution of trade disputes).

52. Ms. Mabuza expressed that to attract investments for Africa's Development, AfDB initiated Africa Investment Forum (AIF). This initiative allowed for the showcasing of viable projects to close the infrastructural gap. She highlighted that the objective of the AIF was to provide a fully transactional platform to attract investment into Africa. She also communicated that in 2018 the bank secured US\$38.7 billion in investment commitment which included US\$2.6 billion deal to develop Accra Skytrain project. Ms. Mabuza further informed the meeting about the Bank's internal tools to address the challenges mentioned above. She indicated that the Bank had developed a Country Resilience and Fragility Tool kit which would enable Bank Staff to identify triggers of fragility at an early stage of project preparation and implementation. To address soft infrastructure issues which largely affect landlocked countries, the Bank has finalized the development of a trade and transport facilitation tool. Ms. Mabuza also highlighted the Bank's strategies in cooperating with other Multilateral Development Banks to mobilize funds for infrastructure development. She further highlighted that they work closely with the Regional Economic Communities to mobilize resources for regional infrastructure to leverage on pensions and sovereign wealth funds and in addition they leverage strategic partnership within and outside of Africa. She underlined that African Development Fund (ADF) 15 ambition was anchored on strategic priorities with robust pipeline of national and regional operations (dedicated resources for transition states most of which are landlocked).

Summary of Interventions by Countries

53. In their interventions, participants shared their national as well as regional experiences on enhancing connectivity and transport infrastructure development. They shared information on projects undertaken to improve connectivity particularly development of infrastructure along the corridors. To illustrate this, Zimbabwe completed the rehabilitation of the Mutare-Harare-Bulawayo-Plumtree highway connecting the Beira Development Corridor to the North-South Corridor and Trans-Kalahari Corridor. The participant from Malawi indicated that they had been promoting a multi modular transport system that would allow businesses to use various modes of transportation of exports to overseas markets. This initiative included the development of good road networks in the country that would ensure the easy movement of goods in the country, connect the Mtwara Development Corridor in the north eastern part of the country and the Nacala Development Corridor on the South Eastern part of the country and allow for the Beira Corridor and North South Corridor to facilitate energy connectivity and trade in goods and services. They indicated that despite their efforts to enhance transport connectivity, they still faced several challenges. It was highlighted that private financing of border infrastructure yields high user access fees which negates the trade facilitation efforts. The shortage of operating locomotives, wagons and coaches was also highlighted as one of the challenges facing LLDCs. The participants indicated that this results in the rail network

operating below capacity. The high affinity for soft infrastructure funding relative to hard infrastructure by Development Partners was also highlighted as a challenge.

54. In an effort to address transport challenges as well as harmonizing the transportation system and modes of transportation within the region, PIDA was hailed as one of the important milestones. It was emphasized that regional integration, which was about getting things moving freely across borders, should be among national development priorities. Furthermore, it was highlighted that regional economic integration agenda should include investment, services, labor and not only focus on trade in goods. One of the other issues which drew the attention of the participants was the need to strengthen regional/global value chains. It was noted that unleashing potential of ports in the Horn of Africa could accelerate economic growth in the region with population of 120 million people, 5000 km of coastal line. The Horn of Africa was highlighted as a strategic location. Participants recognized that promoting inland water transport facilities could also reduce transport cost.

Session 4: ICT Connectivity, Sustainable Energy and Regional Integration

55. The session was moderated by Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, and Reporting Service, UN-OHRLLS. The session reviewed progress made on ICT connectivity, sustainable energy and regional integration identifying the challenges and best practices. The session also identified recommendations to utilize the opportunities presented by deepened regional integration for increased connectivity of the LLDCs. In this session presentations were made by Ms. Gladys Mutangadura, Senior Programme Officer, UN-OHRLLS and Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA. This was followed by countries intervention.
56. Ms. Gladys Mutangadura, Senior Programme Officer, UN-OHRLLS presentation provided a global and regional picture of progress achieved in achieving sustainable energy and ICT connectivity. She also highlighted challenges and made recommendations on how sustainable energy and ICT connectivity can be enhanced. Ms. Mutangadura highlighted that the average proportion of population with access to electricity in LLDCs increased from 48.2% in 2015 to 51.8% in 2016 but noted that LLDCs still lagged behind the world average which stood at 87% in 2016. She noted that African LLDCs had made progress in improving access to clean energy as the average proportion of population with access to electricity increased from 24.3% in 2014 to 27.6% in 2016. She noted that the African LLDCs' average was still much lower than LLDCs group and world averages. She communicated that African LLDCs continue to face several challenges in developing electricity energy infrastructure and connectivity and that rural-urban gap was 61.6%. Furthermore, Ms. Mutangadura pointed out that, approximately 300 million, or two thirds of the LLDCs' population rely on biomass for cooking and that only 13.7% of the population had access to clean fuels and technology in 2016. With regards to the efficient use of energy, she highlighted that there had been improvements. She noted that energy intensity measured as megajoules per 2011 US\$ PPP decreased from 7.3 in 2013 to 6.8 in 2015. She highlighted that this was however still higher than global average of 5.3. She noted that on the other hand, African LLDCs had a high proportion of renewable energy consumption which stood at 74% in 2015 compared to the average of 43% for the LLDC group.

57. Furthermore, Ms. Mutangadura discussed challenges faced by LLDCs in developing energy infrastructure and connectivity. She highlighted the following challenges: lack of long-term energy development strategies, policies and programmes which hinder the growth of energy sector; outdated and inefficient grid and transmission systems which result in transmission and distribution loss; and the inefficiencies in transmission and distribution systems which lead to considerable financial losses for energy companies which are mostly state-owned. Additionally, she noted that cross-border energy trade was still at its early stages of development and often lack of investment resources being the binding constraint. She further informed the meeting that revenue generated by exploitation of oil and gas resources are most often diverted to nonproductive use. To address these challenges, Ms. Mutangadura recommended the following: that LLDCs and transit states should accelerate preparation of power projects and scale up projects on cross border inter-connectors; international community should provide technical and financial support to these efforts; the light up and power Africa initiative should be strengthened; LLDCs to take full advantage of climate funding especially for energy; encourage private sector participation in the development of country's energy sector; and LLDCs to intensify implementation of Rural Electrification Programmes to promote Universal Access to electricity.
58. Ms. Mutangadura highlighted the progress made in ICT connectivity. She noted that LLDCs had made progress but lagged behind developed countries and developing countries. She noted that LLDCs' mobile subscription rates per 100 inhabitants increased from 81.4 in 2013 to 90.4 in 2017; internet users also increased from 21 per 100 people in 2013 to 32.6 in 2016; and LLDCs experienced a growth in fixed broadband subscriptions from 3 per 100 inhabitants in 2013 to 4.6 in 2017. She however pointed out that LLDCs lag behind the world average for the 4G network coverage, and fixed-broadband subscriptions. Ms. Mutangadura highlighted the challenges affecting ICT connectivity in LLDCs to include the following: high cost of ICT services; ICT infrastructure gaps; low digital literacy rate; inadequate regulatory framework; high cost of accessing submarine cables; and low access to ICT equipment. In her summation Ms. Mutangadura made the following recommendations: LLDCs and transit countries need to collaborate to establish ICT infrastructure, applications and services with the support of the private sector, development partners, MFIs and regional banks; efforts should be made to reduce the cost of broadband; and create appropriate enabling environment - policies, legal and regulatory framework.
59. Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA in his presentation focused on regional integration. He recognized regional integration as a vehicle for raising African economies' competitiveness. He highlighted that the focus of African regional integration was to decrease border constraints on free movement of people, goods, and services to increase development and trade. He added that Africa's regional integration agenda had been emphasized on two main fronts, at the continental level by the OAU/AU and at the regional level by RECs. He noted that African LLDCs have been participating in regional and continental agreements and initiatives through membership of RECs, especially in the recent regional integration initiatives, the TFTA, SAATM, and AfCFTA and these provided opportunities for LLDCs to integrate into regional and global value chains. He emphasized that if properly leveraged and implemented by LLDCs, transit

countries and other African states, AU and RECs initiatives could alleviate LLDCs constraints associated with being a landlocked state and facilitate their development and transformation.

60. He noted that the launch of the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) in June 2015, in Sharm el Sheikh, Egypt, by twenty-six African countries was a major milestone in the continent's integration and that it marked the emergence of a truly mega-REC. He emphasized that the Agreement contained trade facilitation measures which could greatly benefit the LLDCs. He however expressed concern that only 4 countries out of the 14 required for the treaty to come into force had ratified the Agreement as at December 2018. He noted that only one LLDCs had ratified the TFTA and reiterated that LLDCs need to be encouraged to ratify and implement the Agreement.
61. Regarding the benefits of the AfCFTA to LLDCs he highlighted that the Agreement contained provisions such as those on trade facilitation, transit and customs cooperation which when implemented can greatly benefit LLDCs. He added that it can facilitate integration of the LLDCs into regional value chains. He recalled that it was envisaged that AfCFTA would double intra-African trade from 12% in 2012 to 25% in 2022 and would result in total welfare gains of about US\$ 16 Billion – 24 Billion. He noted that all African LLDCs except Burundi signed the Kigali Declaration, and 12 LLDCs signed the consolidated AfCFTA agreement and 11 LLDCs signed the protocol for free movement of people. He emphasized the importance of implementing the Agreement in order to realize the benefits of the AfCFTA.
62. Mr. Ikome also discussed the Single African Air Transport Market (SAATM). He noted that 22 members of AU with 9 African LLDCs signed the SAATM in 2017 and was launched in 2018. He listed the potential benefits for African LLDCs: facilitation of open and connected African market and trade; enabling African firms to link into global supply chains; decrease transit time of fresh produce; encourage investment and innovation; boosting African tourist sector.
63. Mr. Ikome concluded by discussing the achievements, challenges and way forward for Africa and African LLDCs. Concerning the achievements, he highlighted that the TFTA, AfCFTA, SAATM and other initiatives tailored to LLDCs' needs and reflected on African governments' commitment to the integration agenda and recognition of the long-term solution of developmental and integration constraints. He highlighted low levels of ratification and implementation of the agreements as challenges that could hinder integration. With regards to the way forward, he emphasized the need to encourage and assist LLDCs especially with building the necessary skills that would enable leveraging the opportunities provided the regional initiatives. Furthermore, he called on all stakeholders not only to ratify the agreements but also to integrate them into domestic laws and effectively implement them.

Summary of Interventions by Countries

64. In their interventions, participants shared their national experiences on their efforts to achieve ICT Connectivity, Sustainable Energy and Regional Integration. It was highlighted that low internet connectivity affects socioeconomic development including the quality of learning, delivery of services in the health sector. They emphasized the need to expand the fiber optic

network in their countries. They also emphasized the importance of ICT connectivity for their countries to integrating into e-commerce. They noted the high costs of connecting to the cables under the sea due to transit challenges.

65. They also noted that high energy inefficiencies in their countries remain a challenge and stressed the importance of regional projects to address their challenges. They highlighted some of the regional initiatives which they were participating in such as the Southern Africa regional power pool. Noting the high costs associated with the energy infrastructure development, they called for support and also emphasized the importance of mobilizing investment and promotion of investment in alternative sources of energy such as renewable energy.

Session 5: International Trade and Trade Facilitation

66. The session was moderated by Mr. Stephen Karingi, Director, Regional Integration and Trade Division, UNECA. The session discussed progress made in increasing trade potential and promoting trade facilitation, share best practice experiences and identify the outstanding challenges and suggested recommendations. It also discussed how the implementation of the WTO Trade Facilitation Agreement can be accelerated. In this session presentations were made by Ms. Jane Karonga Economic, Affairs Officer, Regional Integration and Trade Division, UNECA; Ms. Nnana Mmanyabela Pheto, Economic Affairs Officer UN-OHRLLS; and Mr. Raul Torres, Counsellor, Development Division, World Trade Organization. This was followed by countries interventions.
67. Ms. Jane Karonga Economic, Affairs Officer, Regional Integration and Trade Division, UNECA presentation focused on the status of trade facilitation in Africa. At the outset she highlighted that Africa lagged behind the rest of the world on trade facilitation. She indicated that according to the World Bank Doing Business data African states' (excluding Northern Africa) border compliance for export requires 73% more time than the world average. She informed about the UN Regional Commissions Global Survey on Trade Facilitation and Paperless Trade Implementation launched in 2013 and highlighted that the survey is aimed at giving a global view on key trade facilitation issues, also to monitor trade facilitation implementation progress thus promoting evidence-based policy making. She noted that the survey covers 7 categories of trade facilitation measures, namely: General trade facilitation measures, Paperless trade, Cross-border paperless trade, Transit facilitation, Trade facilitation and SMEs, Trade facilitation and agricultural trade and Women and trade facilitation. She pointed out that the results of the survey show that Africa lags behind in all the participating regions. She added that the 2017 findings of the Global report showed that Africa's implementation rated was 51.4% compared to the global average of 60%. She highlighted areas where the region had achieved good progress in particular on: formalities (62%), institutions (57%) and transparency (57%). She highlighted that on transparency, consultations with stakeholders when developing new legislation and independent appeals were widely reported as fully implemented. On formalities she highlighted that the performance was driven by post-clearance audit, the use of electronic submission for import, export and transit supporting documents, and separation of release from final payment of customs and other charges. With respect to setting up of national trade facilitation committees, she informed the meeting that the measure was fully implemented in 8 countries and at least partially implemented in 17 of

the 21 countries. She noted that whilst the use of automated customs systems were reported as widely used and were the most common “fully implemented” measure in the respondent countries (14 countries), the implementation of single window was around 35%. She emphasized that a clear area of challenge was cross-border paperless trade: electronic exchange of data and documents, laws and regulations on electronic transactions, and establishment of recognized certification authority.

68. Ms. Karonga stressed that trade facilitation was a priority area for Africa and she highlighted that 31 out of the 44 African WTO Members had ratified the WTO Trade Facilitation Agreement. She added that the 2017 Global Review for Aid for Trade revealed that trade facilitation was the number 1 stated priority for Aid for Trade for Africa and constituted 60 per cent of the trade policy related AfT disbursements. She further highlighted that trade facilitation was one of the seven Boosting Intra-Africa Trade (BIAT) clusters. She added that trade facilitation would maximize AfCFTA gains. She noted that AfCFTA will incorporate several elements which will support facilitation of trade and these were: provisions on trade facilitation and transit, provisions on customs cooperation, NTM monitoring mechanism, and national AfCFTA committee. In her closing remarks, Ms. Karonga talked about UNECA work on trade facilitation. She highlighted that UNECA was working closely with AUC, RECs and Member State to facilitate the implementation of the AfCFTA including the trade facilitation elements. UNECA also supported Member States to develop AfCFTA National Implementation Strategies. Additionally, she communicated that they were collecting data for the 2019 edition Global Survey on Trade Facilitation and Paperless Trade Implementation and called on Members States to submit their response by end of March 2019.
69. Ms. Nnana Mmanyabela Pheto, Economic Affairs Officer, UN-OHRLLS gave an overview of the LLDCs’ performance on trade. She highlighted that the thirty-two LLDCs accounted for less than 1 per cent of the global merchandise exports. She pointed out that the LLDCs share declined from 1.22% in 2013 to an estimated 0.91% in 2017. She highlighted that transit countries share of merchandise trade was around 23% in 2016 and when China was excluded, the share of these countries stood at 9.5% in 2016. She noted the disparities between the LLDC Group as only four LLDCs’ accounted for 49% of the group’s merchandise exports and majority of the LLDCs accounted for no more than 2% each. She also highlighted that the LLDCs exports mainly comprise primary commodities, precious stones and non-monetary gold as these constitute over 80% of LLDCs’ exports compared to around 18% for developing countries and about 26% of the world exports.
70. She emphasized the importance of trade facilitation in integrating the LLDCs into global trade by reducing high trade costs that are a result of landlockedness. She pointed out that the WTO Trade Facilitation Agreement (TFA) provides a framework for reducing trade costs and was expected to reduce the cost in WTO Members by an average of 14.3%. She briefed the meeting about the implementation of the TFA. She indicated that as at end March 2019 136 WTO Members had ratified the TFA and 21 out of the 26 LLDCs who were WTO Members had ratified the Agreement. On notification of Categories of measures of the TFA she highlighted that 24 LLDCs had notified their Category A measures, 16 notified their Category B measures and 15 notified category C measures. She highlighted that the implementation of the TFA was low in LLDCs compared to other developing countries. She also highlighted the measures that

the LLDCs had notified as requiring support to be able to implement them and which included: single windows, Test procedures, Border Agency cooperation, Authorized operators and publication of Average Release Times. She stressed that addressing transit challenges was also vital in addressing LLDCs trade costs challenges. She highlighted relevant TFA measures aimed at facilitating transit and these include: Publication and availability of information (article 1), freedom of transit (article 11), Disciplines on Fees and charges (Article 6), Release and clearance of goods, Border Agency Cooperation (Article 8) and Formalities connected with importation, exportation and transit Article (10). She pointed out that implementation of these measures by transit countries was low since only 9 transit countries had indicated that they fully implemented article 11 of Freedom of Transit and only 8 had indicated that they comply to article 1 on publication.

71. Mr. Raul Torres, Counsellor, Development Division, World Trade Organization in his presentation focused on the WTO Trade Facilitation Agreement. He highlighted the link between trade facilitation and competitiveness and pointed out that customs clearance times were key determinants of foreign investment, export status as well as productivity. He also emphasized that trade facilitation was important for integration into the global value chains. He pointed out that time delays and depreciation costs can reduce trade flows more significantly than trade tariffs. On the benefits of WTO Trade Facilitation Agreement (TFA) he highlighted that its implementation would reduce trade costs by about 14.5% which is larger than eliminating all applied tariffs. He noted that the range of reduction in trade costs would be between 9.6% and 23.1%. He emphasized that overall cost reduction would be 18% in manufactured goods and 10.4% in agriculture goods. He further highlighted that the African countries and LLDCs will have a greatest reduction of over 16%. For LLDCs he informed that the reduction was estimated to be 15.4%.
72. Mr. Torres briefed the meeting on the Structure of the TFA while highlighting three Sections of the TFA. He indicated that Section I was on trade facilitation disciplines and was based on the three GATT articles X, VIII, V and covered disciplines on customs cooperation. He highlighted that some obligations were binding (e.g Article 11.8 on technical regulations and conformity assessment), best endeavor (e.g. Article 11.17 on National Transit Coordinators) and some were a combination of binding and best endeavor (e.g. Article 1.2.1 and Article 1.2.3). Mr. Torres also briefed the meeting about Section II of the TFA on Special and differential Treatment and he highlighted the general principles which included that the “assistance and support for capacity building should be provided to help developing and LDC country Members” and that “Implementation will not be required until capacity has been acquired”. He elaborated on categorization of provisions according to the country’s capacity to implement the provision. He highlighted the categories as: Category A-implement upon entry into force (developing countries) or within one year after entry into force for LDCs, Category B - implementation after a transitional period and Category C - provisions requiring the acquisition of implementation capacity through TACB. He informed that LLDCs had notified about 34% of their measures under category A, 20% under B, about 29% under C and about 16% were not categories. He also assessed categorization of key measures for the LLDCs, including: transit, Border agency cooperation, customs cooperation, authorized operators and single window. The implementation of the measures by LLDCs were lower than that of the transit countries and developing countries. He highlighted that most notified

measures under Category C were: Single Window, Test Procedures, Border Agency Cooperation, Average Release time studies and enquiry points.

73. He also informed the participants about the Trade Facilitation Facility highlighting that it was launched in 2014 and had three components being provision of technical assistance and capacity building, information sharing platform on the demand of technical assistance and provision of funds. He highlighted that project preparation was funded up to \$300 000, Project implementation up to \$200 000. Regarding institutional arrangements, he informed the meeting about the Trade Facilitation Committee and communicated that the Committee meets three times per year to discuss amongst other things, the implementation challenges, review technical assistance and capacity building and share experiences.

Summary of Interventions by Countries

74. In their interventions, participants shared their national experiences on integration into regional and global trade as well as facilitate their trade. Participants highlighted initiatives undertaken to diversify their economies as well as enhance their participation in international trade. For example, Zimbabwe had harmonized all international trade policies such as Industrial Development Policy, National Trade Policy and the Export Promotion Strategy. Malawi has reformed the business facilitation sector by establishing one stop service center under the Malawi Investment and Trade Centre and the Centre allows for faster response to the investment enquiries and to process the investment proposals under one roof.
75. Participants also shared their national experiences in the implementation of trade facilitation initiatives. Some of the initiatives that were highlighted included the establishment of National Trade Facilitation Committees. Botswana, Malawi and Zimbabwe reported that they had established National Trade Facilitation Committees. Other initiatives highlighted included establishment of One-Stop-Border Posts including between Zambia and Zimbabwe at Chirundu; one between Botswana and Zambia at Kazungula Bridge; between Malawi and its neighbors Mozambique; Tanzania and Zambia and Zimbabwe is also in the process of establishing One-Stop-Border Posts at Victoria Falls, Beitbridge and Plumtree. On the use of ICT some of the initiatives highlighted include: the use of ASYCUDA World, establishment of National Electronic Single Windows, Electronic Temporary Import Permit system (e-TIP), establishment of Trade Information Portal (TIP). Botswana and Zimbabwe reported they have employed a systematic approach to implement trade facilitation reform through trade facilitation implementation road maps/plans developed with the assistance of UNCTAD. Participants also highlighted some of the regional initiatives aimed at facilitating trade and these included the SADC Trade Facilitation Programme, COMESA- EAC SADC Tripartite Free Trade Area Agreement and AfCFTA and the COMESA Simplified Trade Regime for SMEs cross border trade.

Session 6: Structural Economic Transformation

76. The session was moderated by Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination, and Reporting Service, UN-OHRLLS. In this session the progress made by LLDCs on structural economic transformation, and industrialization, as well as economic

diversification and value-addition were the main focus of the discussion. The session identified challenges, opportunities and best practices and suggested recommendations to foster structural transformation and industrialization. Presentations in this session were made by Mr. Francis Ikome, Chief, Regional Integration Section, Regional Integration and Trade Division, UNECA and Ms. Nnana Mmanyabela Pheto, Economic Affairs Officer UN-OHRLLS. This was followed by countries' interventions.

77. In his remarks Mr. Sandagdorj Erdenebileg indicated that structural economic transformation is a fundamental building block in achieving sustained economic growth and poverty eradication and he emphasized that for LLDCs it was crucial in light of the economic structure particularly their dependence on commodities. He emphasized its importance in creating jobs, building local productive capacity, attracting investments, helping LLDCs in integrating into global and regional supply chains and reducing the vulnerabilities stemming from landlockedness and their dependence on commodities.
78. With regards to the progress achieved by the LLDCs he indicated that structural economic transformation was limited as the share of primary commodities accounts for over 80% of LLDCs exports. He noted that at the global level, the situation is almost reversed, with 74% of global exports being manufactured goods, rather than primary commodities. He pointed out that the dependence of the LLDCs on commodities make them vulnerable to external shocks and limits their ability for high-value-addition, achieving sustainable industrialization, integrate meaningfully into global value chains and denies them the much-needed employment. To address the situation, he emphasized that LLDCs need to make conscious efforts to design policies that promote structural transformation and diversification of their economies. He further emphasized the importance of enabling macroeconomic, trade, financial and research and development policies as well as creating the backward and forward linkages among manufacturing, agriculture and services sectors. He stressed the importance of creating conducive regulatory and investment environment for the local private sector, and in particular MSMEs.
79. Mr. Ikome highlighted that prior to the VPoA, LLDCs faced jobless growth, low productivity and low value in LLDCs, and that the VPoA brought increasing visibility and recognition of the specific challenges of LLDCs. He however noted that progress in reaching VPoA goals and SDGs requires structural transformation. He indicated that LLDCs as a group accounted for 7% of the World's population, attracted 1.6% of global FDI inflows, and less than 1% of global exports and output with limited and undiversified number of products, where 27 out of the 32 LLDCs are depended on primary commodities that account for 50% of total exports. He noted that real GDP growth for LLDCs continued to decline to 2.76% in 2016. He gave an overview of the African LLDCs' growth and economic structures and highlighted that they experienced a decline in the share of manufacturing in GDP and in employment, but the services sector had been the strongest driver of the growth having risen from 45% value added in 2000 to 50% in 2016. He further noted that both manufacturing and agriculture had declined from 13% and 28% to 10% to 26% respectively between 2000 and 2016.
80. Mr. Ikome further discussed efforts made by African LLDCs to achieve structural transformation at national, regional and continental levels. He communicated that several

LLDCs had adopted micro and macroeconomic policies and strategies to address their structural economic weaknesses. He made use of Botswana who had embarked on economic diversification drive and Rwanda who had adopted an industrialization policy that included the establishment of industrial parks and Special Economic Zones as examples. At regional level, he highlighted that Regional Economic Communities had developed industrialization strategies. At continental level he noted that the Accelerated Industrial Development Plan for Africa (AIDA) and its Action plan offer a great framework to guide Africa's industrialization. He highlighted that as part of the continentally and regionally facilitated programmes, a number of LLDCs had identified some value chains in which they are and could participate in. Within the context of the COMESA-EAC-SADC Tripartite, the value chains identified include the agro-sector encompassing maize; cassava; fish; hides, shoes and leather, as well as sugar.

81. Regarding the key enablers of structural transformation, Mr. Ikome stressed that the following were critical: building a critical mass of viable and competitive productive capacity; adopting and deploying policies and strategies for accelerated industrialization; developing strategies for increased agricultural productivity; promotion of the services sector; enhancing the role of the private sector; and investing in research and development. In his closing remarks he made some recommendations on what needs to be done to achieve structural transformation in LLDCs. He reiterated that the need for developing productive capacities should be pursued simultaneously with trade facilitation, transport and trade logistics. He further emphasized the importance of development of partnerships on structural transformation efforts and strategies. He stressed the importance of leveraging regional and continental industrialization and transformative initiatives such as IADA, AfCFTA and TFA. He noted the need to scale up the use of smart technology and skills development in the various sectors, thereby increasing productivity, global competitiveness and foreign earnings. He underlined that e-commerce provides an opportunity for the LLDCs to participate in the value chains, it is therefore important for these countries to take advantage of the e-commerce opportunities.
82. Ms. Nnana Mmanyabela Pheto, Economic Affairs Officer UN-OHRLLS presented on the role of services in achieving structural transformation. She highlighted progress achieved in the LLDCs on structural economic transformation. She pointed out that the value-added contribution of the manufacturing sector was approximately 9% of the LLDCs economic activity during 2015-2017. She also noted that the share of commodities in the LLDCs total merchandise exports was 80%. She highlighted that value added of the services sector as a percentage of GDP was about 46% for the LLDCs compared to 65% for the world. Concerning trade in services, she noted that Africa accounted for only 3% of world trade in 2017. She emphasized that it was necessary to develop the service sector in the LLDCs to support integration of the LLDCs in the value chains. She highlighted that services can be characterized in value chains as falling under two categories: Enabling services: which she described as the "oil" in the manufacturing process, and these include such services as communications, finance, transport and distribution, ICT and other business services. Task-related services are those activities that businesses can outsource to other companies - business process outsourcing.
83. She recognized the important role played by services in the global value chain and the manufacturing process. And recalled that the rising profile of services sector in Africa offer

promising opportunities for export diversification, services led transformation and services trade-led growth. She did however note the challenges in growing the service sector in Africa and these included: dealing with barriers to trade in services are more complex than barriers to trade in goods; the regulatory environment is still relatively underdeveloped; key sectors such as telecommunications, professional services, and transport services are relatively restricted in many countries; and regulatory requirements, and immigration policies restricting the movement of persons. She presented the following recommendations: LLDCs need to review the production processes for manufacturing and agricultural products in order to identify the relevant services impediments that should be prioritized; more research is needed to better evaluate the complex roles of services boosting overall economic competitiveness; enhance capacity building to LLDCs in dealing with services negotiations; LLDCs should consider enhancing liberalization of services sectors necessary to support their industrialization and trade facilitation; and seeking FDI inflows to the high-value added sectors.

Summary of Interventions by Countries

84. Participants shared their experiences on their countries' efforts to achieve structural economic transformation. Some participants indicated that their national development plans aimed to achieve structural economic transformation amongst other priorities. Botswana indicated that one of six broad-based national priorities set out in their National Development Plan 11 was to "Develop Diversified Sources of Economic Growth". Côte d'Ivoire also indicated that they have two National Development Plans 2012-2015 and 2016-2020 that aimed to achieve structural economic transformation. Other policies and strategies which participants highlighted included National Industrial Development Policies, Special Economic Zones-Policies, Human Resource Development Strategy, national export strategies and Research, Science, Technology and Innovation strategies. Some of the initiatives which were also highlighted as being implemented to achieve structural transform include: establishing and enhancing, standards setting bodies; technical regulations and infrastructure development; research and development; liberalize the trade in services; boost competition; set incentives and tariffs for investment. The importance of securing markets for LLDCs products as well as training in trade negotiations were highlighted by the participants. The need to improve business environment was also emphasized. Regarding this matter, Côte d'Ivoire shared its experience in improving business environment and highlighted that it had established the Single Window of Corporate Formalities to reduce time and cost of business.
85. Participants also communicated the challenges they had faced in achieving structural economic transformation. Among the challenges highlighted by the participants were; the capacity to compete with neighboring transit countries for investment, weak implementation capacity, lack of capacity to invest in research and development and infrastructure as well as undiversified routes to the sea ports. Côte d'Ivoire indicated high poverty rate, low human development index and political instability as obstacles.
86. Participants also discussed the regional initiatives aimed at achieving structural economic transformation including the SADC Industrialization Policy and SADC together with COMESA and EAC also adopted industrial development as one of the pillars underpinning regional cooperation under the Tripartite.

Session 7: Means of Implementation Partnerships and Follow-up and Review

87. The session was moderated by Mr. Soteri Gatera, Senior Economic Affairs Officer, Energy, Infrastructure and Services Sector, Private Sector Development and Finance Division, UNECA and it aimed to review the state of means of implementation, follow-up and review and how to foster partnerships for accelerated implementation of the VPoA. Presentations in this session were made by H.E. Mr. Jan Kickert, Permanent Representative, Permanent Mission of Austria to the UN, New York; Ms. Zodwa Florence Mabuza, Principal Regional Integration Officer, African Development Bank Group (AfDB); and Ms. Eunice Kamwendo, Strategic Advisor, Regional Bureau for Africa, UNDP. This was followed by countries' intervention.
88. H.E. Mr. Jan Kickert, Permanent Representative, Permanent Mission of Austria to the UN, New York shared Austrian experience as a landlocked country and also shared information on the development cooperation support that the Government of Austria provides. He highlighted that as a landlocked country with a relatively small economy, Austria understands particularly well many of the challenges that confront Landlocked Developing Countries. He noted that it was for that reason that Austria hosted the Second UN conference on landlocked developing countries in Vienna in 2014. He stressed that VPoA helped to have the development disadvantages that stem from landlockedness to be recognized, acknowledged and undeniable, and making them more visible. He highlighted that the Secretary-General has been effective in advocating and highlighting challenges that confront LLDCs.
89. He pointed out that while physical distance and remoteness cannot be erased, many of the constraints resulting from countries being landlocked can be successfully addressed. He emphasized the support of development partners can help complement the efforts of LLDCs. He highlighted that some of his national experiences that were important in addressing the landlockedness: promotion of regional cooperation and integration. He informed that Austria is an industrial country with a small domestic market and therefore export economy was therefore particularly important. He noted that 6 out of 10 euros were earned from exports. He applauded the continuing efforts for increased regional cooperation and integration in Africa through African Continental Free Trade Area (AfCFTA), and Single African Sky amongst other initiatives. He further emphasized the importance of adequate investment in the development and maintenance of critical infrastructure. He highlighted that Austria's main focus was sustainable energy. He stressed that without access to affordable, reliable, sustainable and renewable energy services, economic, ecological and thus social development is hampered. He noted that renewable energy and energy efficiency solutions can greatly contribute to the reduction of dependency on expensive fossil fuel imports and were best developed in the framework of regional cooperation, aimed at both, building renewable energy industries, and fostering the emergence of energy efficiency markets. He informed that Austria had an excellent partnership with UNIDO on the establishment of a Network of Regional Sustainable Energy Centres for LLDCs all over the world. He highlighted that as early as in 2009, Austria together with UNIDO and Spain started to support and co-finance the establishment of a regional centre for renewable energy and energy efficiency in West Africa. He informed that what was created in Western Africa was duplicated in Eastern African and Southern African Regions with the EAC and the SADC Centres for Renewable Energy and Energy Efficiency. He shared that Austria was also proudly hosting SEforALL in Vienna.

90. H.E. Mr. Kickert also emphasized the importance of trade facilitation in addressing the challenges of being a landlocked country. He expressed their strong support to the trade policy of the European Union to grant Preferential Market Access to Least Developed Countries, a preferential regime that applies to 13 out of 16 African LLDCs. He noted that under the Everything-But-Arms arrangement, the EU provides duty-free, quota-free access to the European market for all products originating in LDCs. He informed that to ensure smooth transition, the EU also provides for the establishment of a transitional period of at least three years for countries that graduate from the LDC category.
91. He also emphasized that international support measures, such as adequate, predictable and effective cooperation, and other multilateral and bilateral development frameworks are indispensable to complement the efforts of LLDCs. He highlighted that the Austrian Development Agency (ADA), the operational arm of Austrian Development Cooperation, concentrates its activities on key regions in Africa, Asia, South-Eastern and Eastern Europe. He noted that ADA field offices make sure that local cooperation is based on equal partnerships, while also guaranteeing effective monitoring. The projects and programmes are tailored to local conditions and agreed with local partners. He informed that the Austrian Official Development Assistance (ODA) to LLDCs in 2017 amounted to 42.7 million EUR he highlighted that more than (6) of Austria's (11) priority countries fall under the LLDC category and three of these are in Africa (=50%). He gave example of ADA support to LLDCs in Africa. He informed that Burkina Faso has been a priority country of the Austrian Development Cooperation since 1992. He further informed that the Austrian Development Agency has established a field office in the capital, Ouagadougou, in 1996. He informed that Austria actively supports the government in its efforts to reduce poverty, improve training and raising productivity are among the foremost challenges facing the country. He indicated that Austrian ODA to Burkina Faso in 2017 amounted to 4.3 million EUR.
92. He stressed the importance of private sector in addressing the challenges of the LLDCs. He emphasized the importance of foreign direct investment. He noted that private sector can help a) to support local/regional entrepreneurship, b) to get companies from developed countries to invest. He encouraged LLDCs to look inwards for what is needed to attract increased and more diversified foreign direct investment. He stressed that the implementation of the SDGs will fall far short if private investment is not mobilized. He shared that The Oesterreichische Entwicklungsbank (OeEB) had been operating as the Development Bank of Austria since March 2008 and that it provides long-term finance for the implementation of private sector projects in developing countries. He recalled that in May 2014, OeEB invested USD 5 million in the Ascent Rift Valley Fund Ltd and the fund focused on the development of small and medium-sized enterprises (SME) in seven East African countries (5 of which are LLDCs): Ethiopia, Uganda, Kenya, Tanzania, Rwanda, South Sudan and Burundi. He noted that small and medium-sized enterprises account for approximately 90% of all business activities in East Africa and employ half of the working population. He highlighted that the Ascent Rift Valley Fund provides small and medium-sized enterprises with equity capital. He noted that these investments are an important driving force for the development of these businesses which in turn create new jobs and support the economic growth of the region. The focus sectors are

healthcare, Fast Moving Consumer Goods, processing of agricultural products and financial services.

93. He emphasized that to fully leverage the impact of the private sector, a stable, predictable and enabling investment environment is vital. He noted that the rule of law, good governance, the respect of human rights, gender equality, as well as accountable and transparent institutions are essential “factors for success”. He informed that ADA supports the government of Uganda in reforming the “Justice, Law and Order” sector with the objective to improve the safety of the person, security of property and access to justice for inclusive growth by improving infrastructure and access for all citizens, especially marginalized groups, to the legal services sector.
94. In his closing remarks, he stressed that as the global community embarks on the 2030 Agenda for Sustainable Development and the ambitious targets of its 17 Sustainable Development Goals, a focused cooperation with the 32 landlocked developing countries was more important than ever.
95. Ms. Zodwa Florence Mabuza, Principal Regional Integration Officer, African Development Bank Group (AfDB) in her presentation focused on the support of the Bank related to the priorities of the Vienna Programme of Action. She highlighted that related to priority 1 on Fundamental Transit Policy issues the African Development Bank was financing several OSBPs such as Moyale Border Post between Kenya and Ethiopia, which has reduced travel time from five days to less than a day and lowered transport costs from 0.49 USD/km to 0.28 USD/km. She also reported that the Bank was financing intermodal connectivity particularly was financing development of road, rail, marine and air infrastructure as well as several corridors. In addition, she indicated that the bank also supports the online non-tariff barriers reporting and monitoring mechanism. Regarding Priority Area 2-Infrastructure Development and Maintenance, she informed the meeting about the Bank’s support to the PIDA Programme. She highlighted that between 2014 and 2016 the Bank built and rehabilitated more than 1500km roads. She pointed out that the bank invested into 22 regional transport projects that includes Bamako-Dakar highway, Nacala Corridor, Addis Ababa – Nairobi-Mombasa Road corridor, SeneGambia Bridge, Jomo Kenyatta Airport, Enugu-Bamenda Road. Other projects included, Kazungula Bridge-between Botswana and Zambia, the Nour Ouarzazate Project in Morocco which was the world's largest concentrated solar energy complex, and the Ethiopia – Kenya Power Interconnector Phases I and II.
96. On Priority Area 3-International Trade and Trade Facilitation, she indicated that the Bank had support several One-Stop-Border Posts including the Moyale, Manyovu/Mugina and Nacala III in Mozambique. On Priority Area 4-Regional Integration she indicated that the Bank support was aimed at strengthening the institutions of RECs and initiatives undertaken included: capacity support for NEPAD Planning and Coordination Agency; Tripartite Capacity Building Project aimed at harmonizing trade regimes of 3 RECs (COMESA-EAC-SADC); and a grant of 4.8 million to support the AfCFTA. On Priority Area 5- Structural Economic Transformation she indicated one of the strategic objectives of the Bank in the High 5s is ‘Industrialize Africa’, which aims at transforming African economies from predominantly trading in commodities to final products. She highlighted that the Bank was supporting several

countries in value chains development and funded the Tripartite FTA countries to develop an instrument of cooperation in industrial development.

97. Ms. Eunice Kamwendo, Strategic Advisor, Regional Bureau for Africa, UNDP presented on UNDP's support to VPoA implementation. Ms. Kamwendo highlighted that SDGs/Agenda 2063 were the main entry point for UNDP's support to VPoA implementation building on the intersection of different development agendas. She pointed out that SDGs are comprehensive and holistic and comprehensively cover the VPoA priorities though SDGs 7,8,9 and 17 amongst other goals. She discussed UNDP's support to VPoA implementation through policy level actions such as integration of the VPoA priority areas in National Development Planning frameworks. On programmatic support she reported that UNDP supported the Tax Inspectors without Borders Initiative and a total of 12 LLDCs participated. Other forms of UNDP's support to VPoA implementation included, Development Finance Assessments (DFAs). She highlighted that the DFAs were a growing body of UNDP's work in supporting countries to expand the space for Means of Implementation and were proving to be a means to maximize effectiveness of all forms of co-operation for development for the shared benefits of people, planet, prosperity and peace. Ms. Kamwendo also reported that UNDP and OECD support the Global Partnership as the OECD/UNDP Joint Support Team to assess financing trends; examine the alignment between planning and financing and current financing trends; find opportunities for deeper public-private collaboration; examine monitoring and review systems in the management of financing policies; review current state of transparency and accountability among all partners; and emphasizing a multiple-stakeholder engagement and building a roadmap. In addition, Ms. Kamwendo highlighted UNDP's efforts in expanding partnership base with increased private sector engagement through Philanthropic Institutions, South-South Partnerships, North-South-triangular partnerships, Private Sector Hub, and innovation funds for trade facilitation and regional integration. In closing, Ms. Kamwendo discussed challenges and opportunities for the LLDCs. She noted that VPoA needs are huge, especially for infrastructure investment and that there were challenges in reporting and data inadequacies. She stressed the need to focus on monitoring and reporting as well as on raising awareness of the key issues on the VPoA.

Summary of Interventions by Countries

98. H.E. Ms. Doma Tshering, Permanent Representative of the Kingdom of Bhutan to the United Nations in New York and Co-Facilitator for the Mid Term Review of the Vienna Programme of Action contributed to the session. She noted that of the 32 LLDCS, 17 were LDCs and 13 of these were in Africa. H.E. Ms. Tshering expressed her hopes that Africa's LLDCs which were also in the LDCs category would implement policies that will also facilitate their graduation from least developed status. Furthermore, she pointed out that most countries on graduation track remain vulnerable due to the high economic vulnerability and impact of climate change. She urged other development partners and international partners to consider the vulnerabilities of countries when providing support.
99. In their interventions, participants emphasized the need to mainstream the VPoA into national strategies. Malawi highlighted that the VPoA had been mainstreamed into the Malawi Growth and Development Strategy III spanning 2017-2022. Participants expressed concern over the

delay in disbursement of funds for projects by development partners. Limited knowledge of the VPoA among key economic players nationally and regionally, inadequate resources; lack of baseline information to report, inadequate research in some areas which have an impact on the social and economic aspects were among the challenges highlighted by the participants. Some of the recommendations on enhancing the means of implementation included the need to increase national awareness on VPoA among all stakeholders; political commitment and championship of commitments and obligations is key to adoption and success of the programmes; involvement of multiple stakeholders for effective implementation of international commitments and obligations; provision of technical and capacity building assistance are mainstreamed in country's sectoral and national development agendas; inclusion of VPoA priority areas in interventions in Ministries' Annual Work plans and Budgets at all levels to assist in the implementation and the monitoring, ratification of WTO Trade Facilitation Agreement and other VPoA related agreements; and ensure set implementation plans are implemented as required and are adequately financed.

V. Consideration of the outcome document

100. This session was chaired by H.E. Mr. Eric Yemdaogo Tiare, Permanent Representative of Burkina Faso to the United Nations. The Chair presented and briefly introduced the outcome document of the meeting, as contained in Annex I. The outcome document was adopted by the meeting.

VI. Closing of the Meeting

101. In the closing session, statements were made by Ms. Heidi Schroderus-Fox, Director, UN-OHRLS; Mr. Stephen Karingi, Director, Regional Integration and Trade Division, UNECA; H.E. Mr. Jan Kickert, Permanent Representative, Permanent Mission of Austria to the UN, New York and Co-Facilitator for the Mid Term Review of the Vienna Programme of Action; H.E. Ms. Doma Tshering, Permanent Representative of the Kingdom of Bhutan to the United Nations in New York and Co-Facilitator for the Mid Term Review of the Vienna Programme of Action.
102. In her closing remarks, Ms. Heidi Schroderus-Fox expressed her condolences to the families and the people of Mozambique, Malawi and Zimbabwe following losses of lives due to Cyclone Idai that swept through the three countries.
103. Ms. Schroderus-Fox expressed her deep appreciation to the Government of Morocco and the people of the Kingdom of Morocco for hosting the meeting and for their hospitality and thanked Ambassador Eric Yemdaogo Tiare of Burkina Faso and the Bureau for conducting the meeting efficiently leading to a successful outcome. She thanked all participants for their dedication, active participation and contribution to the success of the meeting. She further congratulated them for adopting the outcome of the meeting by consensus. She noted that the adopted outcome document raised important areas that were crucial for accelerating the implementation of the VPoA and the 2030 Agenda for Sustainable Development in the region. She further noted that the Africa regional assessment report, the outcome document and the presentations and discussions of this meeting clearly outlined both the trends and the

challenges that the region faces in implementing the Vienna Programme of Action. She highlighted that there was convergence of opinion that progress and notable achievements had been made in most of the priority areas in this region.

104. She emphasized that plans to improve the implementation of the WTO Trade Facilitation Agreement by African LLDCs and transit countries will bring improvements in shortening the transit time and reducing trade costs. She noted that the establishment of the Africa Continental Free Trade Area shows deepening of regional integration and cooperation. Other developments which she applauded included the Single Africa Air Transport Market signed in January 2018 as well as other bi-lateral and regional agreements which she highlighted showed the region's pursuit for greater cooperation in areas that are of relevance to the Vienna Programme of Action.
105. She applauded the notable progress and achievements in building and upgrading transport, energy and ICT infrastructure. She highlighted some of the commissioned projects aimed at improving connectivity such as the Kazungula Bridge, upgrading of many airports, sea ports and railways. She also recognized initiatives undertaken to facilitate trade such as the establishment of one-stop border posts, single windows, information portals amongst others. She emphasized the need to maintain and enhance the positive trends.
106. Ms. Schroderus-Fox noted that whilst there had been progress in some areas progress was slow in other areas notably, on structural economic transformation and export diversification. She noted some of the challenges highlighted by participants as hindering the implementation of the VPoA and these included, limited financing for infrastructure development and maintenance; limited technical and institutional capacity; lack of adequate data to plan, monitor, and review on the progress as well as the effects of climate change.
107. She emphasized the need for concerted efforts to accelerate progress. Furthermore, she stressed the need for strong partnerships by all stakeholders including LLDCs, transit countries, development partners, the United Nations and other international and regional organizations.
108. In closing, she thanked the co-facilitators, Austria and Bhutan for their active participation and she expressed her trust that they would take forward the outcome of the meeting into the negotiations of the outcome of the MTR. She also thanked the global bureau of the LLDCs in particular, Ambassadors of Burkina Faso and Burundi for attending the meeting. She thanked development partners who participated in the meeting in particular, Japan, Norway and Poland. Additionally, she expressed her gratitude to UNECA for co-organizing the meeting, and for all the important work that they do in this region. She thanked all participating UN-system organizations for their participation and important contribution to the deliberations of the meeting. She expressed her gratitude to the interpreters for the good work.
109. She concluded by inviting everyone to continue to participate in the preparatory process of the midterm review as well as the Comprehensive high-level Midterm review meeting in December 2019. She assured the meeting of UN-OHRLS' support throughout the process.

110. Mr. Stephen Karingi, Director, Regional Integration and Trade Division, UNECA thanked all participants for their active participation and for their contribution in the meeting. He expressed his gratitude to UN-OHRLLS for the excellent partnership in organizing the meeting. He urged countries that had not yet ratified the AfCFTA to do so as the AfCFTA will contribute to addressing some of the LLDCs challenges. He also invited participants to participate at the upcoming Conference of African Ministers of Finance, Planning and Economic Development.
111. H.E. Ms. Doma Tshering, Permanent Representative of the Kingdom of Bhutan to the United Nations in New York and Co-Facilitator for the Mid Term Review of the Vienna Programme of Action presented her closing remarks. H.E Ms. Tshering pointed out that the sessions had been comprehensive, highly stimulating and generated an excellent range of recommendations. She observed that the implementation of VPoA depends on the full and active participation of all stakeholders, particularly the LLDCs, transit countries, the UN system, international and regional organizations, civil society and private sector. She noted the partnerships between LLDCs and transit countries which had developed in an effort to combat the lack of territorial access to the sea, remoteness for the full integration into global markets while increasing productivity capacity. Furthermore, H.E. observed that challenges pose opportunities to learn from one another's national experience and best practices; to take advantage of innovation in the field of science and technology to leapfrog and transform economies; and to strengthen existing collaboration and forge new partnership to unlock potential and transform LLDCs. In conclusion, H.E. expressed Bhutan's commitment to an open, inclusive, and transparent process towards successful outcomes.

Annex I: Outcome Document

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

18-19 March 2019, Marrakesh, Morocco

Introduction

United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) and United Nations Economic Commission for Africa (UNECA) organized the Africa Regional Review Meeting of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (VPoA) on 18 and 19 March 2019 in Marrakesh, Morocco. The meeting was organized on the margins of the Conference of African Ministers of Finance, Planning and Economic Development, which adopted a resolution to further the outcomes of the midterm review meeting.

The meeting was attended by senior government policymakers and other stakeholders from African LLDCs, transit countries, development partners as well as participants from the UN system, relevant international and regional organizations, civil society representatives and the private sector.

The meeting assessed progress achieved in the implementation of the VPoA along the six priority areas, based on national reports, a substantive regional report, and through presentations from participating LLDCs and transit countries, work undertaken by UN-OHRLLS and UNECA and other international and regional organizations as well as discussions during the meeting.

The meeting agreed on the following assessment and recommendations for each of the VPoA priority areas.

Priority Area 1: Fundamental Transit Policy issues

The African landlocked and transit countries have made progress in ratifying important international and regional agreements that support improved transit even though implementation is still low. Over the review period, 13 of the 14 LLDCs WTO Members and 13 transit countries have ratified the WTO Trade Facilitation Agreement. There were not many LLDCs and transit countries that became party to some of the main transport and trade facilitation related international agreements. Only 1 LLDC and 3 transit countries ratified the WCO Revised Kyoto Convention over the review period.

The continent reached a new milestone in 2018 when African Union member States signed the agreement on the establishment of the African Continental Free Trade Area (AfCFTA). In addition, 30 countries have signed the Protocol on free movement of persons, right residence and right of establishment. The agreement includes provisions on trade facilitation, transit and customs cooperation that will be of particular benefit to landlocked developing countries. To date, there are 20 ratifications, falling short of only 2 for the agreement to come into force.

There has been noticeable growth in regional initiatives aimed at easing movement of goods and people across borders. In 2015, the Agreement for the Establishment of a Tripartite Free Trade

Area of the Common Market for Eastern and Southern Africa, EAC and SADC, strengthened the resolve of the twenty-six Tripartite States towards the implementation of various trade facilitation measures. The Tripartite Transport and Transit Facilitation Programme was launched in October 2017.

Other initiatives include: the decision adopted by the Heads of State and Governments of the African Union in 2015 which calls on countries to introduce a 30-day visa on arrival for all citizens of African countries; the African passport, visa-free regional blocs, or multi-year visas, aimed at facilitating free movement of persons, goods and services around the continent.

The Move Africa Initiative of the Program for Infrastructure Development in Africa (PIDA) was launched in 2016 particularly to address challenges pertaining to trans-boundary trade and logistical challenges. Furthermore, the Traffic Light System was developed to monitor and evaluate the performance of transport and trade corridors and aims at improving transport corridors and it is still at pilot stage.

Recommendations

- LLDCs and transit countries are encouraged to cooperate and coordinate on fundamental transit policies, laws and regulations and towards enhancing freedom of transit and integrate the international and regional standards in national legislation.
- International organizations are encouraged to scale up technical assistance and capacity building support towards the effective accession, ratification and implementation of relevant regional and international conventions agreements.
- LLDCs and transit countries are encouraged to effectively implement the WTO TFA and other relevant international and regional agreements to improve transit in a manner consistent with their trade and development objectives.
- LLDCs and transit countries are encouraged to use available tools to promote transit such as the WCO Transit Guidelines and other mechanisms to monitor travel time along transit transport corridors like the WCO Time Release Studies is encouraged.
- LLDCs and transit countries should make more efforts to meet the VPoA specific objectives of reducing travel time along the corridors; reducing cargo dwell times at seaports and reduce time spent at the land borders. LLDCs and transit countries with support of the RECs, corridor organizations, UN and other international organizations, as well as development partners should regularly collect the relevant data needed to monitor the specific objectives.

Priority Area 2: Infrastructure Development and Maintenance.

It is estimated that more than 90% of traffic in the region is by road. Progress is being made regarding infrastructure expansion and upgrading in African countries including in LLDCs, but a lot remains to be done to meet the needed levels. The Trans African Highway (TAH) has a total length of 54,120 km distributed along nine corridors. The TAH is currently characterized by missing links and poor maintenance in some key segments. The percentage of paved roads is still low in Africa it was estimated to be about 13% in 2015 if the North African countries are excluded. African LLDCs lag behind both transit developing countries and the global average in terms of both road and rail densities.

Most countries have established dedicated Road Funds and Road Authorities/Development Agencies to undertake maintenance, and development of roads for both the regional and national road networks. The main source of funds for road maintenance has been the fuel levy, access and toll gate fees, depending on the country, while funding for new construction and rehabilitation has been through government capital budget allocations, borrowing from development banks and funds from cooperating partners provided either as loans or grants. Road maintenance has also been performed by the private sector, for example, South Africa, Botswana and Zambia have adopted this option through open public tender process.

The continent has continued to develop new railway infrastructure projects as well as upgrade existing links. Southern Africa has seen the rehabilitation of the railways in Angola anchored on the ports of Namibe, Lobito and Luanda, as well as railways in Mozambique, anchored on the ports of Beira (Sena Line) and Nacala linking them directly with landlocked states of Zimbabwe and Malawi. Another example from the East African region is the Ethiopia – Djibouti railway line which provides landlocked Ethiopia with access to the sea at the port of Doraleh. However African LLDCs noted with concern the slower progress in rail infrastructure development in Central Africa.

Air carrier departures from the African LLDCs, increased by 15.6 percent between 2014 and 2017. The challenges faced by LLDCs' air transport industry include high scale of investment that is needed for infrastructure development and maintenance, rehabilitation and replacement of aged fleet, and upgrading of airports and terminals, lack of physical and human resources and new technologies and limited connectivity. It is however encouraging to note that a number of African countries have either built up new airports to replace the old ones or have rehabilitated several of their airports. In addition, the African Union launched the Single African Air Transport Market in January 2018 that promotes full liberalisation of market access to intra-African air transport services.

To facilitate trade along the corridors, PIDA has recommended that all Africa's transport corridors should be converted to SMART corridors to improve the corridor efficiency and reduce transport costs.

Recommendations on transport infrastructure

- LLDCs and transit countries, with the support of their development and trade partners, need to scale up their capacity for expansion and maintenance of transport (road and rail) infrastructure.
- LLDCs and transit countries, should in a coordinated manner, develop and/or upgrade international and transboundary transport and transit corridors encompassing all modes of transportation to address the special development needs and challenges of landlocked developing countries.
- The regional financial institutions, UN system and other development partners should strengthen their technical assistance programs for improving the institutional capacities of the LLDCs to formulate and implement bankable infrastructure development projects more effectively and efficiently.
- LLDCs should integrate the development and maintenance of transboundary transport infrastructure in their national development strategies and should not be stand-alone initiatives.

LLDCs need to pay particular attention to the cost recovery mechanisms and insurance schemes in negotiating Public Private Partnership Agreements.

- LLDCs and their development partners including the regional and international financial institutions, regional organizations and bilateral development agencies should strengthen their efforts to mobilize and allocate more resources for infrastructure development and maintenance.
- LLDCs need to strengthen their efforts in mobilizing domestic resources and bring about necessary tax administration reforms to meet their growing infrastructure financing needs.
- The LLDCs and transit countries need to accelerate domestication and implementation of sound regionally adopted policy, regulatory and legislative frameworks to create an enabling environment for investment and infrastructure operations as well as enhance global competitiveness.
- Development partners and relevant international organizations as well as the private sector are encouraged to provide support to facilitate the implementation of the SMART corridors initiative. The support may include development of bankable projects.
- Development partners, international financial institutions, international and regional organizations are called upon to support LLDCs and transit countries to develop climate change resilient transport infrastructure.

Energy

In 2016, 27.6% of people living in the African LLDCs had access to electricity, a percentage point increase of 3.3 from the 2014 level. However, the African LLDCs still lag behind both in the overall and the world averages in this respect. There is, moreover, a significant rural-urban electricity divide in the African LLDCs. On average in 2016, 61.6% of urban-dwellers had electricity access, as compared to only 13.5% of those in rural areas. On the use of clean fuels and technologies for cooking, only 13.7% of the population in the African LLDCs had access to clean fuels and technologies in 2016. More efforts are required to improve access to sustainable energy in LLDCs.

In order to enhance Africa's generation capacity, a number of national power generation and cross border interconnector plans have been adopted, with most of the key projects adopted as part of the master plans for the RECs (namely COMESA, EAC, ECCAS, ECOWAS and SADC) as regional projects, under the auspices of PIDA, the African Development Bank and other partners. On the generation front, the Gibe III Project in Ethiopia is an example achieved during the period under review. In order to augment power capacity in Africa, a number of renewable energy projects have been developed in almost all countries, including LLDCs. Owing to long gestation periods of power projects, the pace of completion of these projects has been very slow.

Recommendations on energy

- LLDCs and transit countries need to accelerate preparation of power projects (including renewables) and scale up projects on cross border inter-connectors to enable LLDCs experiencing power shortfalls to purchase power from neighboring countries and regional power pools to ensure energy security. The international community is called upon to provide technical and financial support to these efforts.

- LLDCs that are endowed with energy including hydroelectricity are encouraged to use electricity in transforming their productive capacities and boosting their exports of manufacturing products.
- LLDCs should strive to improve transformational energy access that goes beyond meeting basic household needs but includes electricity for productive use that can transform the economies of LLDCs including through renewable energy mini grids, off grids and in this regard development partners, UN and other international and regional organizations are called upon to support the LLDCs.
- LLDCs and transit states should support expansion and upgrading of supply, transmission and distribution infrastructure and increase investments in improving energy efficiency.
- Encourage private sector participation in the development of country's energy sector, in a manner that promotes use of energy in productive sectors.
- LLDCs need to intensify the implementation of Rural Electrification Programmes to promote Universal Access to electricity. These are funded through state fiscal mechanisms and by international and regional development aid.
- Initiatives such as the Light and Power Africa should be supported and scaled up.
- The international community is called upon to provide technical assistance and capacity building support to strengthen the capacity of LLDCs to develop bankable project proposals in order for them to take full advantage of climate funding for energy projects.

Information and communications technology (ICT)

African LLDCs have witnessed an absolute increase in mobile cellular subscriptions, from 64.3 per 100 people in 2014 to 66.3 per 100 people in 2017. The average number of internet users in this group of countries has also been rising, from 12 to 18.6 per 100 people in the 2014-2017 period. The African LLDCs noted with concern that these averages are very low as compared to both the general LLDCs and world averages.

One of the main reasons for low usage of the internet in the African LLDCs is the high cost of ICT access. Both mobile cellular and fixed broadband prices are highest in the African LLDCs. High ICT prices make it difficult for African LLDCs to harness the benefits of the digital economy and the optimisation of emerging technologies that facilitate trade and spur sustainable development.

Recommendations on ICT

- LLDCs and transit countries are encouraged to collaborate to establish ICT infrastructure, applications and services with the support of governments, private sector, development partners, multilateral financial and development institutions and regional banks.
- LLDCs are encouraged to create appropriate enabling environment including the necessary policies, legal and regulatory framework to support ICT development in particular the development of broadband including enhancement of digital skills, promotion of digital inclusion, increased adoption and utilization of ICT applications and services and to close the digital divide.
- LLDCs are encouraged to provide for mechanisms to facilitate the deployment of networks and services in non-profitable areas for operators, whether public investment, public-private scheme, or other types of incentive.
- LLDCs should work with cellular service providers with the view to reduce the cost of broadband access.

- The international community should provide capacity-building support to LLDCs improve their business environment in order to attract and retain the private sector in the ICT sector especially in the areas of the use of ICT infrastructure to promote trade, improve trade logistics, and enhance productivity and structural economic transformation.
- The international community is called upon to facilitate technology transfer and support science and innovation towards implementation of the VPoA and the SDGs in LLDCs. The international

Priority 3: International trade and trade facilitation

International Trade

The merchandise trade for African LLDCs on average increased over the review period. In 2017, African LLDCs' exports amounted to US\$ 37.3 billion compared to US\$ 34.7 billion in 2016. This pick up in trade reflects the improved global trade performance. In terms of imports, 2017 saw African LLDCs imports increase to USD 61.4 billion from USD 59.8 billion in 2016. The African LLDC trade balance remained relatively stable at USD 24.2 billion deficit.

African LLDCs note with concern their low share of trade since the adoption of the VPoA. For example, in 2017, LLDCs global share of exports was 0.21 per cent a slight decrease from 2015 and the share of intra-African trade for African LLDCs was 29 per cent, compared to the continental average of 18 per cent. In 2017, trade as a percentage of GDP for the LLDCs was on average 63%.

It is important to note that Africa's exports to the rest of the world are mainly natural resources (fuel oil and minerals) and low-value added primary commodities- which are vulnerable to price volatility. The LLDCs are by far importing more than they are exporting and therefore suffer from huge trade deficits and this further render them even more vulnerable. The exportation of the raw materials by these states deprive them of the benefits of beneficiation and value addition.

The AfCFTA commits countries to remove tariffs on 90 percent of goods, progressively liberalize trade in services, and address a host of another non-tariff barrier. If successfully implemented, the agreement will create a single African market of over a billion consumers with a total GDP of over \$3 trillion. The AfCFTA offers the opportunity for the LLDCs to expand their trade.

African LLDCs are concerned with the current threats to the Multilateral Trading System including the stalemate in the Doha Development Agenda negotiations and the increase in the adoption of protectionist measures by major trading partners. This situation can further marginalize the LLDCs from the global trade.

Recommendations

- African LLDCs are encouraged to ratify the AfCFTA and accede to the WTO in this regard the UN system and other international and regional organizations should provide technical assistance and capacity-building support.
- LLDCs should formulate and implement policies and strategies aimed at diversifying their export base and adding value to their exports in order to expand their participation in regional and global value chains.

- The international community is called upon to support LLDCs in diversifying their exports, including through transfer of relevant technologies and support in developing their productive capacities.
- LLDCs need to enhance efforts aimed at improving their business environment.
- LLDCs should address barriers to trade in services.
- WTO Members are called upon to strengthen and preserve the multilateral trade system and the negotiating function of the WTO, and to resist all forms of protectionism to promote common prosperity.

Trade Facilitation

Trade facilitation plays a crucial role in improving the trade competitiveness of the LLDCs and reducing the high trade costs and boosting their exports. Progress is being made by LLDCs and their transit neighbours in implementing trade facilitation reforms with support from development partners. The performance of the African LLDCs in trade facilitation however remains low as depicted by the OECD trade facilitation indicator.

The World Trade Organization Trade Facilitation Agreement (TFA) contains provisions for expedited movements, release and clearance of goods, including goods in transit and it has the potential to reduce costs by between 12.5 and 17.5 per cent. African LLDCs and transit countries have made great progress in ratifying the TFA. The implementation of the TFA by these countries however remains low. According to the WTO TFA Facility database, in 2018 Africa LLDCs had notified 28% of the measure as category A¹ measures compared overall 58.1% for all developing countries.

According to the United Nations Regional Commissions 2017 Global Survey on Paperless Trade and Trade Facilitation, the implementation rate of cross-border paperless trade for African LLDCs was around 51%, relative to a global average of 60%. Regionally, according to the survey, trade facilitation measures relating to formalities tend to be more implemented (on average 64 per cent). On the other hand, costly cross-border paperless trade measures are less implemented, at 22 per cent. The results for the LLDCs largely reflect the regional pattern. Most African LLDCs reported a relatively high implementation rate for transparency measures, with most having an implementation rate above the regional average. These include promotion of cross-border paperless trade, adoption of e-based transit and transport facilitation tools single-stop inspections, single windows for documentation, electronic payment and transparency and modernization of border posts and customs services.

Some progress has been made in establishing or strengthening national committees on trade facilitation. According to UNCTAD map of Trade Facilitation Committees, 14 out of the 16 Africa LLDCs have established national trade facilitation committees. Progress has also been made in adopting ICT solutions for streamlining customs clearance procedures and formalities, reducing the number of documents, and improving vehicle movements speedily and less expensively. Some LLDCs have adopted the Single Window facilitation tools and/or Automated System of Customs Data (ASYCUDA) which have improved customs clearance and procedures.

¹ Measures already being implemented

Furthermore, progress has been made in establishing one stop border posts to improve border transit facilities and streamline border crossing procedures and formalities. However there has been limited support on both soft and hard infrastructure development.

Recommendations

- The UN and other international and regional organizations and the development partners are encouraged to provide the necessary technical, financial and capacity-building assistance to LLDCs and transit countries to ensure the effective implementation of the Trade Facilitation Agreement.
- LLDCs and Transit countries should mainstream trade facilitation into their national development strategies and plans and for those LLDCs that have not done so, they should establish national committee on trade facilitation.
- LLDCs need to enhance their efforts in improving and harmonizing their customs administrations and streamlining border crossing procedures, including by reducing the number of documentations needed for export and import.
- LLDCs should promote greater use of technology-driven and ICT solutions to trade facilitation, including introduction of paperless trade, automation of customs procedures and customs clearance systems, and implementation of single window environment and OSBPs and development partners are called upon to support these efforts.
- LLDCs and transit countries should fully utilize the trade facilitation tools developed by international organizations. Neighboring transit countries should enhance their involvement relating to facilitation measures.
- Adequate resources need to be provided to support implementation of Trade and Transport Facilitation Programs at regional and sub-regional levels, including through Aid for Trade.
- LLDCs and transit countries need to enhance transparency by creating online platforms where all the information relating to trade is readily available for searching and viewing.

Priority Area 4: Regional Integration and cooperation

With the implementation of AfCFTA, it is expected that intra-African trade will continue to grow among African countries as regional integration continues to serve as a useful vehicle for reducing some of trade barriers, paving the way for creating a conducive environment for private sector to operate. Regional integration is also key in attracting more Foreign Direct Investments in the many African countries. For the LLDCs, 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. The AfCFTA should build on and improve upon the progress that has been made in trade liberalization and integration by the RECs.

It is foreseen that the implementation of the AfCFTA would result in the reduction of tariffs and elimination of non-tariff barriers since the agreement contains provisions for the benefit of LLDCs, such as those on trade facilitation, transit and customs cooperation. In addition, it can facilitate their integration into regional value chains as well as expand their trade capabilities. 13 LLDCs signed the consolidated AfCFTA agreement and 11 signed the protocol for free movement of persons.

Recommendations

- LLDCs should endeavor to ratify the AfCFTA without delay and lobby coastal transit states to ratify the AfCFTA which would address the inherent non-tariff and tariff barriers to intra-Africa trade.
- Regional and international development partners, UN organizations and other international organizations are encouraged to support the LLDCs and transit countries with technical, financial and capacity building support to advance their regional integration efforts.
- LLDCs and transit countries should make use of the technical assistance and capacity-building support provided by relevant international organizations towards the effective accession, ratification and implementation of relevant international conventions and regional cooperation agreements and frameworks.
- LLDCs and transit countries should also consider undertaking regional integration initiatives that encompass investment, research and development, industrial development and regional connectivity.

Priority 5: Structural economic transformation

Many LLDCs in Africa have seen a decline in the share of manufacturing in GDP and in employment, while the services sector has been the strongest driver of growth, rising from 45 per cent of value added in 2000 to 50 per cent in 2016. Manufacturing and agriculture have declined from 13 per cent and 28 per cent to 10 per cent to 26 per cent, respectively over the same period. After nearly two decades of decline in the share of manufacturing value added in GDP both in LLDCs countries and Africa as a whole, the trend changed in 2017, with Africa as a whole experiencing an increase while it declined further in LLDCs. This demonstrates the LLDCs' limited capacity to produce and export manufactured goods. Greater efforts are required to promote value-addition, diversification and industrialization.

Several African LLDCs have been establishing industrial parks, export processing zones and special economic zones as key elements to spur productive capacities, structural transformation and export diversification. Such proactive and deliberate policies by national governments of LLDCs are critically important to promote entrepreneurship, technological adaptation and innovation, as well as efforts to foster agriculture and industrialization through carefully designed industrial policy. As part of the continentally and regionally facilitated programmes, a number of LLDCs have also identified some value chains in which they are and could participate in. Within the context of the COMESA-EAC-SADC Tripartite, the value chains identified in the agro-sector include maize; cassava; fish; hides, shoes and leather, as well as sugar.

LLDCs are experiencing the impact of climate change which is affecting agricultural productivity and is a major hindrance in achieving sustainable development. Studies show that LLDCs are the most vulnerable due to its geographical location and characteristics.

Recommendations

- LLDCs need to promote industrial policies that focus on fostering productive capacities and structural economic transformation supported by enabling macroeconomic, trade, financial, labour market, human resource and research and development policies.
- LLDCs should focus on enhancing their capacity in higher value-added products and high-productivity sectors, including through targeted incentives for sectors and/or firms and creating

backward and forward linkages among manufacturing, agriculture and services sectors by linking small and medium-sized enterprises (SMEs) to the supply chains and production networks.

- LLDCs need to increase the stock of human and institutional capital, improve connectivity, enhance research, development and innovation capacity and strengthen institutional as well as governance capabilities in order to participate at the higher end of global and regional value chains.
- LLDCs should improve the enabling regulatory environment for business which is crucial for developing a strong industrial base and attracting investment. Development partners should provide technical, financial and capacity-building assistance to support such efforts. There is also a need to incentivize the private sector, especially in sectors of comparative advantages, and improving access to low-cost finance for SMEs.
- LLDCs should take advantage of e-commerce opportunities.
- LLDCs and their development partners should accelerate the process of fostering productive capacities and structural economic transformation in LLDCs including through evidence-based policy making.
- Relevant United Nations agencies including but not limited to UNECA, UN-OHRLLS, UNCTAD, UNIDO, International Trade Center, FAO, UNDP, IFAD, UNFCCC, and UNCCD are called upon to enhance their respective interventions in support of LLDCs in building their productive capacities, enhance export capabilities and foster structural economic transformation and in addressing climate change.
- LLDCs need to accelerate their efforts to produce and implement their National Adaptation Plans and to identify and prepare bankable projects to secure financial resources from the GCF and other Convention funds for their climate change adaptation and mitigation needs.
- LLDCs need to prioritize agricultural commercialization as a catalyst for industrialization.

Priority Area 6: Means of Implementation

In 2017, a total of \$17.9 billion was received in ODA by the African LLDCs, a real increase of 24% since the VPoA was adopted. However, ODA was unevenly distributed between the African LLDCs, with three countries accounting for 46% of the group's total that year. ODA remains a key source of external funding for the LLDCs. In 2016, ODA inflows represented over 10% of GNI in six African LLDCs. African LLDCs noted with concern that while ODA has increased, DAC members still fall short of their commitment targets.

African LLDCs received \$8.2 billion in FDI flows. This amounted to 0.58% of total global FDI inflows and 36.2% of FDI inflows to all LLDCs which represents a 10.2% increase in the share of FDI flows to African LLDCs as compared to other LLDCs. FDI flows to the African LLDCs have been growing since 2010, apart from a slight dip in 2016 but the FDI were focused on a few countries with three countries accounting for 65.4% of these flows in 2017. FDI flows are also concentrated on the extractive sector (specifically, to mining, quarrying and petroleum).

The African LLDCs received \$5.34 billion in remittances, which was \$1.6 billion less than what was received by the group in 2014. Remittance inflows to the African group were unevenly distributed, with the top three recipients accounting for 58.8% of inflows in 2016.

The African LLDCs are also concerned by the impact that illicit financial flows have in draining resources away from the LLDCs. Illicit financial flows have an adverse impact on domestic resource mobilization and on the sustainability of public finances. The activities that underlie illicit financial flows, such as corruption, embezzlement, fraud, tax evasion, safe havens that create incentives for transfer of stolen assets abroad, money-laundering and illegal exploitation of natural resources, are also detrimental to development.

The African LLDCs welcomed the strengthening of the Resident Coordinators in the context of United Nations Development System (UNDS) reform and underscore the critical role of Resident Coordinators in ensuring that the goals and priorities set out in the Vienna Programme of Action for LLDCs and the mainstreaming of the SDGs into national development plans and strategies in LLDCs and transit countries.

Recommendations

- LLDCs should strengthen their efforts in mobilizing domestic resources, including through carrying out reforms in tax administration, broadening the tax base and strengthening domestic capital markets.
- LLDCs need to enhance the level of good governance in key institutions that facilitate economic development and provide services, especially within the public sector and parastatal organizations, in order to bring about the much-needed operational efficiency and sustainability in these enterprises.
- Call on the international cooperation to stem corruption and identify, freeze and recover stolen assets and return them to their countries of origin, in a manner consistent with the United Nations Convention against Corruption.
- Development partners should improve the quality of development aid by addressing constraints that limit the effectiveness of such aid, including linking development aid to national priorities.
- LLDCs will also need to better leverage ODA for attracting further finance from other sources such as FDI, public-private partnerships, and blended finance that could be utilized more effectively in promoting growth and structural transformation in the LLDCs.
- LLDCs should push for mainstreaming of the VPoA programme into the regional and continental agenda, as well as greater collaboration between the UN system organizations, the RECS and the African Union, to fully mainstream the programme into the latter's strategies and action plans.
- LLDCs can attract more FDI by improving their regulatory environment and by engaging in regional integration initiatives and deepening their cooperation with neighbouring countries, especially transit countries.
- LLDCs need to identify and prepare bankable projects to secure financial and technical resources from multilateral initiatives such as the Africa Development Bank, East Africa Development Bank, West African Development Bank, the World Bank's Global Infrastructure Facility, and New Development Bank.
- UNDS should accord high priority to the economic sectors and productive capacity building in LLDCs and should enhance support to LLDCs in their efforts to achieve the internationally agreed development goals and their development objectives through enhanced mobilization of needed resources.

- Development partners are called upon to enhance their financial and technical support for the implementation of the 2030 Agenda for Sustainable Development, Agenda 2063 and the Vienna Programme of Action.
- LLDCs that have not yet ratified the Multilateral Agreement for the Establishment of an International Think Tank for LLDCs are urged to do so.

Way Forward

1. The meeting calls upon UN ECA to continue providing technical support to the Africa's LLDCs in areas related to the priorities of the VPoA in order to accelerate its implementation.
2. The meeting requests UN ECA, to submit the outcome of the Africa Regional Review to the 52nd Session of the Economic Commission for Africa to be held 20 to 26 March 2019.
3. The meeting requests the UN ECA and UN OHRLLS to submit the outcome of the Africa Regional Review to the Comprehensive High-level Midterm review on the implementation of the VPoA to be held in December 2019 in New York and to other multilateral processes.
4. The meeting requests the UN ECA, in collaboration with UN-OHRLLS, to undertake the ten-year regional review of the implementation of the VPoA.
5. The Meeting calls on LLDCs, transit developing countries, development partners and regional and international organizations to actively participate in the Comprehensive High-level Midterm review on the implementation of the Vienna Programme of Action to be held in December 2019 in New York in accordance with the General Assembly resolutions 72/232 and 73/243.

The meeting requests that in accordance with the mandate given by the General Assembly, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States should continue to ensure the coordinated follow-up to, effective monitoring of and reporting on the implementation of the Vienna Programme of Action and undertake advocacy efforts at the national, regional and global levels.

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