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Statutory issues: Doha Programme of Action for the Least Developed Countries: report on progress in implementation of priority areas in Africa

Doha Programme of Action for the Least Developed Countries: report on progress in implementation of priority areas in Africa

I. Introduction

1. The Doha Programme of Action for the Least Developed Countries for the decade 2022–2031 represents a new era of revitalized and reaffirmed commitments among these countries and their development partners. The Programme encompasses the private sector, civil society and Governments at all tiers. It was developed on the basis of the following main objectives: ensuring speedy, sustained and inclusive recovery from the coronavirus disease (COVID-19) pandemic; building resilience against future shocks; eradicating extreme poverty and improving labour markets; enabling graduation from least developed country status; facilitating access to sustainable and innovative financing; addressing inequality; leveraging the power of science, technology and innovation; mainstreaming technology-driven entrepreneurship; bringing about structural transformation; and achieving the Sustainable Development Goals through a revitalized global partnership for sustainable development.

2. Least developed countries make up 15 per cent of the global population but only 1.4 per cent of global gross domestic product (GDP) and 1.1 per cent of international trade.[1] As of December 2024, there were 44 least developed countries, 32 (73 per cent) of which were African. Over time, support mechanisms have been created through international agreements, organizations and Governments to help least developed countries to overcome challenges. In the Doha Programme of Action, as well as in action plans from five United Nations Conferences on the Least Developed Countries and numerous pivotal United Nations agendas and initiatives, including the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the unique challenges faced by least developed countries and their specific requirement for assistance are acknowledged.

* E/ECA/COE/43/1.

[1] *Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures* (United Nations publication, 2024).

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II. Graduation from least developed country status in Africa

3. To graduate from least developed country status, a country must meet two of the three criteria in two consecutive triennial reviews, as illustrated in table 1. In addition, graduation can occur despite a low human assets index score and a high economic and environmental vulnerability index score if the gross national income per capita is at least triple the threshold for two consecutive reviews. Graduation does not automatically make a country a middle-income country, however. A country might graduate by fulfilling the human assets and economic and environmental vulnerability criteria but not crossing the income per capita threshold.

Table 1
Graduation thresholds: 2021 and 2024 triennial reviews

Year	*Gross national income per capita*	*Human assets index*	*Economic and environmental vulnerability index*
2021	$1,222 or above, or $2,444 or above on an income-only basis	66 or above	32 or below
2024	$1,306 or above, or $3,918 or above on an income-only basis	66 or above	32 or below

Source: Department of Economic and Social Affairs, "Graduation from the LDC category", 2024, available at www.un.org/development/desa/dpad/least-developed-country-category/ldc-graduation.html.

4. As shown in table 2, four African countries had graduated from least developed country status as of December 2024: Botswana (1994), Cabo Verde (2007), Equatorial Guinea (2017) and Sao Tome and Principe (2024). In 2024, 15 least developed countries met the graduation criteria, one fewer than in 2021. Djibouti and Senegal, having met the criteria twice, were recommended for graduation but requested a five-year extension for an orderly transition. Djibouti needs more time owing to its high vulnerability, and Senegal plans to use the extension to improve its human assets index score with help from development partners. The Comoros, meeting the criteria for the second time, had its graduation postponed to 2027 owing to vulnerability to global crises. Rwanda, Uganda and the United Republic of Tanzania met the criteria for the first time and may graduate if they meet them again in 2027. Angola and Zambia no longer meet the graduation criteria.

Table 2
African least developed countries, as of 2024

	Country
African least developed countries	Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania and Zambia
African countries that have graduated from least developed country status and their year of graduation	Botswana (1994), Cabo Verde (2007), Equatorial Guinea (2017) and Sao Tome and Principe (2024)
African countries with the possibility to graduate soon[a]	Comoros, Djibouti and Senegal

Source: Department of Economic and Social Affairs, "Committee for Development Policy", available at http://cdp.un.org.

[a] These countries met the graduation thresholds in 2021 for the first time and were reviewed again in 2024. If they met the criteria for a second time, they could be recommended for graduation. Djibouti met the "income-only" criterion, while the Comoros and Senegal met the graduation thresholds for two of the three criteria. Senegal is recommended to graduate in 2029.

III. Progress in the priority areas

A. Investing in people: eradicating poverty and building capacity

5. Least developed countries everywhere, affected by global economic conditions, have experienced volatile economic growth in recent years, as shown in figure 1. After a downturn in 2020 owing to the COVID-19 pandemic, growth increased in 2021 and 2022 but then declined again in 2023 owing to the war in Ukraine, inflation, high interest rates and energy prices. Growth rates fell from 4.63 per cent in 2022 to 3.72 per cent in 2023 for least developed countries, and from 4.39 per cent to 3.61 per cent for African least developed countries. In addition, ongoing conflicts in Africa, which accounted for 53.8 per cent of global conflicts (98 out of 182) in 2022,[2] continue to hinder socioeconomic development. There has been, however, a welcome recovery in growth in several African least developed countries, with 9 countries among the top 20 fastest growing in the world.[3] In 2019, extreme poverty in Africa was at a historical low of 31.3 per cent.

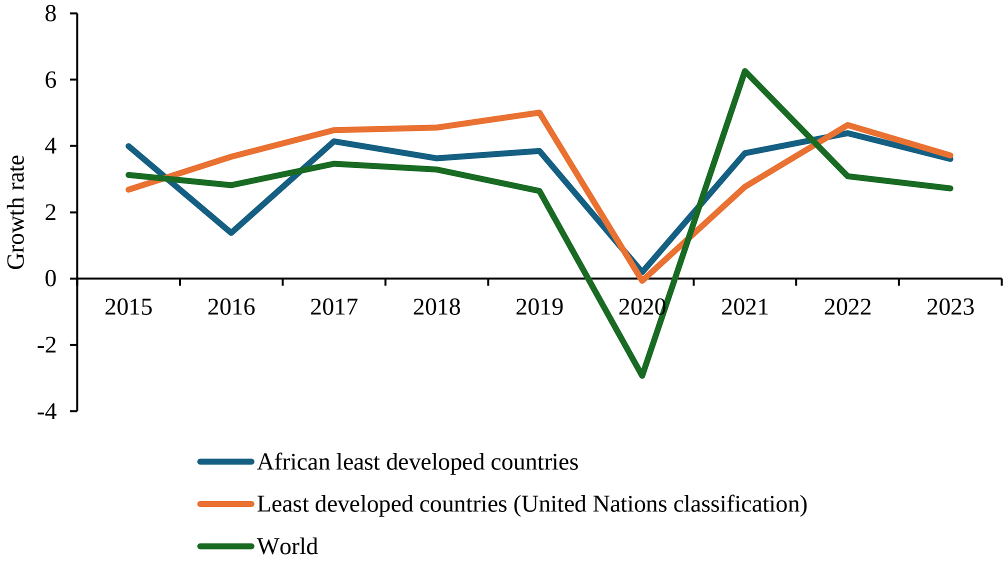
6. African countries' high debt servicing costs are reducing their capacity to invest in people and social spending, causing declines in health and education funding across many countries. In 2021, African countries spent on average 4.8 per cent of GDP servicing debt, compared with 2.6 per cent on health and 4.8 per cent on education.[4]

[2] Economic Commission for Africa (ECA) and others, *2024 Africa Sustainable Development Report* (2024).

[3] Zainab Usman, "9 of the 20 fastest-growing economies worldwide in 2024 will be in Africa", Carnegie Endowment for International Peace, 6 May April 2024.

[4] ECA calculations based on multiple data sources.

Figure 1
Gross domestic product growth globally and among least developed countries
(Percentage)



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 1 November 2024).

1. Universal social protection systems

7. Amid economic, social and environmental shocks, social protection systems are necessary to protecting vulnerable populations from poverty. According to the most recent estimations by the Economic Commission for Africa (ECA), providing sound social protection to all African populations could cost from $187 billion to $491 billion annually and from $115 billion to $269 billion specifically for African least developed countries, depending on service levels. Investment in social protection among African least developed countries has risen from 2015 to 2022, with a rise in the proportion of the population covered by at least one social protection benefit from 12.3 per cent to 13.7 per cent, which is still well below the world average of 54.4 per cent.[5]

2. Achieving universal access to quality education, skills and lifelong learning

8. African least developed countries must boost their investment in education and the enhancement of skills in order to benefit from their catalytic effects on long-term development. Advances in education at the basic and vocational levels and in science, technology, engineering and mathematics are imperative for empowering communities to develop home-grown and globally relevant solutions to economic challenges, climate change and environmental degradation. Nevertheless, least developed countries are lagging behind at all levels of education.[6]

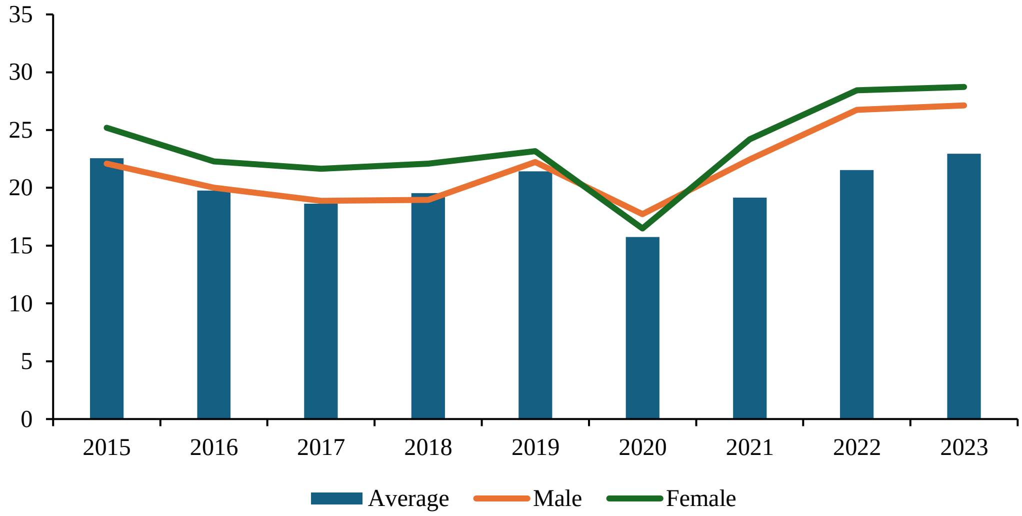
9. Among African least developed countries, 22.95 per cent of primary-school-age children are out of school, as shown in figure 2. The COVID-19 pandemic reversed some of the gains that had been made from 2016 to 2019. By 2023, the figure was similar to that of 2015 of 22.54 per cent. Some

[5] Department of Economic and Social Affairs, SDG Indicators Database. Available at https://unstats.un.org/sdgs/dataportal (accessed on 17 October 2024).

[6] LDC Future Forum, "Thematic session 1: building innovation capacity through investments in education and skills development", available at www.un.org/ohrlls/ldc-future-forum/session-one.

countries, including Rwanda and Togo, have performed better, however, where less than 1 per cent of children are out of school.

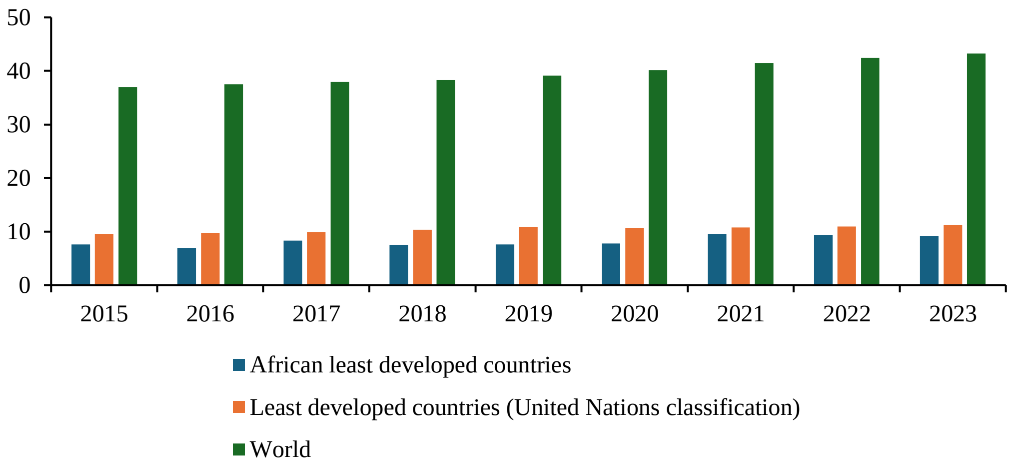
Figure 2
Children out of school in African least developed countries
(Percentage of primary-school-age children)



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 1 November 2024).

10. Tertiary enrolment in African least developed countries stood at 9.2 per cent in 2023, compared with the world average of 43.3 per cent, as shown in figure 3. By extension, African least developed countries produce 12.8 scientific and technical journal articles per 1 million people, compared with 375 worldwide.[7] Investment in tertiary education is crucial for developing critical analytical thinking and research skills across all disciplines.

Figure 3
Gross tertiary enrolment rate
(Percentage)

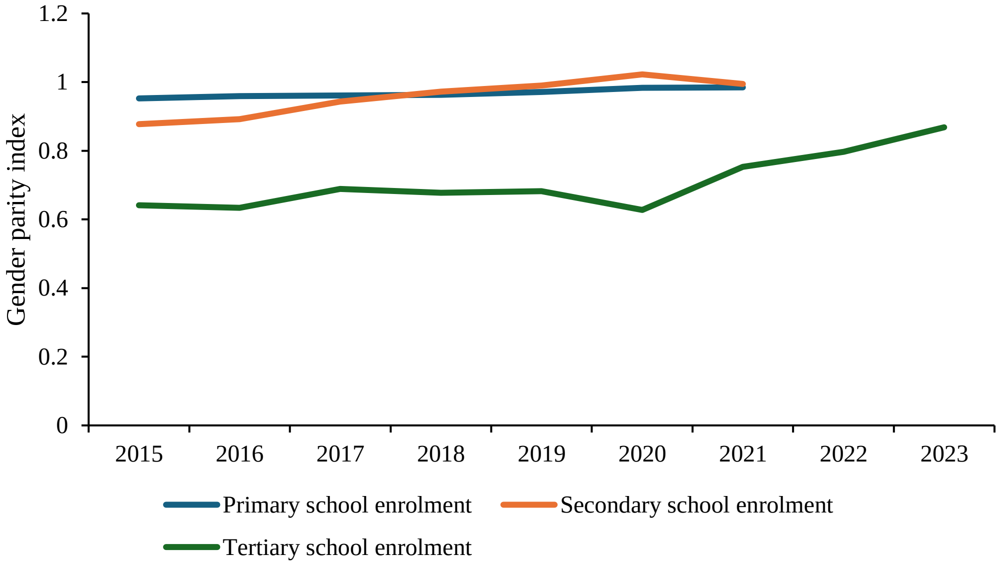


Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 1 November 2024).

[7] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 1 November 2024).

11. The gender parity index score has increased among African least developed countries, reaching 0.98 and 0.99 for primary and secondary school enrolment, respectively, in 2021, as shown in figure 4. Although gender parity at the tertiary level still lags behind other levels of education, significant progress is being made, with an increase in the index score of 0.23 percentage points, from 0.64 in 2015 to 0.87 in 2023. Regarding parity in educational outcomes, Central and Western Africa still show an 11.8 percentage point difference in literacy rates between young males and females; in other subregions the gap has significantly narrowed.[8]

Figure 4
Gender parity in gross primary, secondary and tertiary school enrolment in African least developed countries



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 1 November 2024).

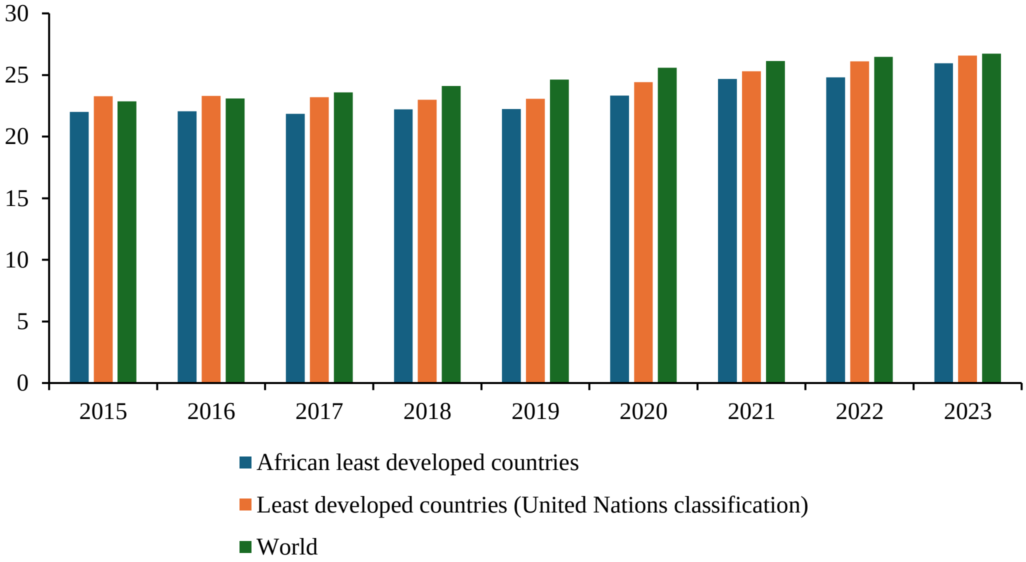
Notes: Analysis based on the average of 12 of 32 countries with available data. The 2022 and 2023 data for primary and secondary schools have not been published.

3. Achieving gender equality

12. Empowering women economically and ensuring equal participation in political leadership are crucial for achieving the Sustainable Development Goals. In African least developed countries, the average percentage of women in parliament rose from 22.01 per cent in 2015 to 25.96 per cent in 2023, as shown in figure 5, which is close to the global average of 26.74 per cent and the least developed countries average of 26.56 per cent. There are significant disparities, however: the rates range from 8.62 per cent in the Gambia to 61.25 per cent in Senegal.

[8] ECA calculations based on the World Development Indicators database. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 12 December 2024).

Figure 5
Proportion of seats held by women in national parliament
(Percentage)



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

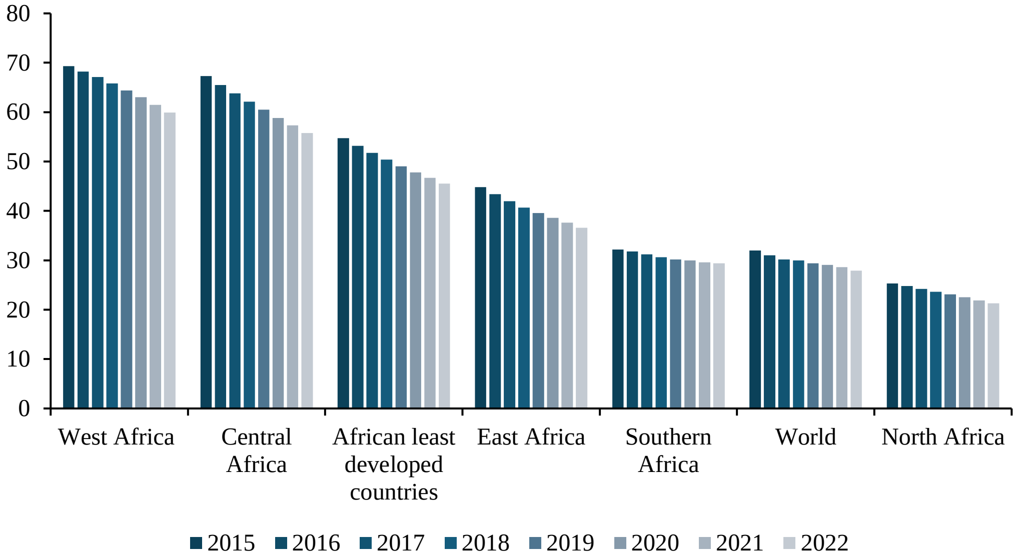
4. Accelerated progress in reducing the infant mortality rate and the maternal mortality ratio

13. Child, infant and maternal mortality rates in Africa have been declining, which can be attributed to such factors as improvements in nutrition, the expansion of healthcare services and access to clean drinking water.[9] Better prevention of HIV has also been crucial, in particular in Southern Africa. Among African least developed countries, the infant mortality rate per 1,000 live births fell from 54.8 in 2015 to 45.5 in 2022, as shown in figure 6. Child mortality rates have also been decreasing among those countries, where the under-5 mortality rate stood at 64 per 1,000 live births in 2022, compared with 81 in 2015.

14. Maternal mortality in African least developed countries decreased from 498 to 438 deaths per 100,000 live births between 2015 and 2020, as shown in figure 7. The proportion of births attended by skilled health personnel rose from 61.8 per cent in 2015 to 75.7 per cent in 2023, although that is still below the global average of 86.3 per cent. Continued improvements in health facilities, workforce density, nutrition and sanitation are essential to eliminating preventable maternal and infant deaths by the end of the decade.

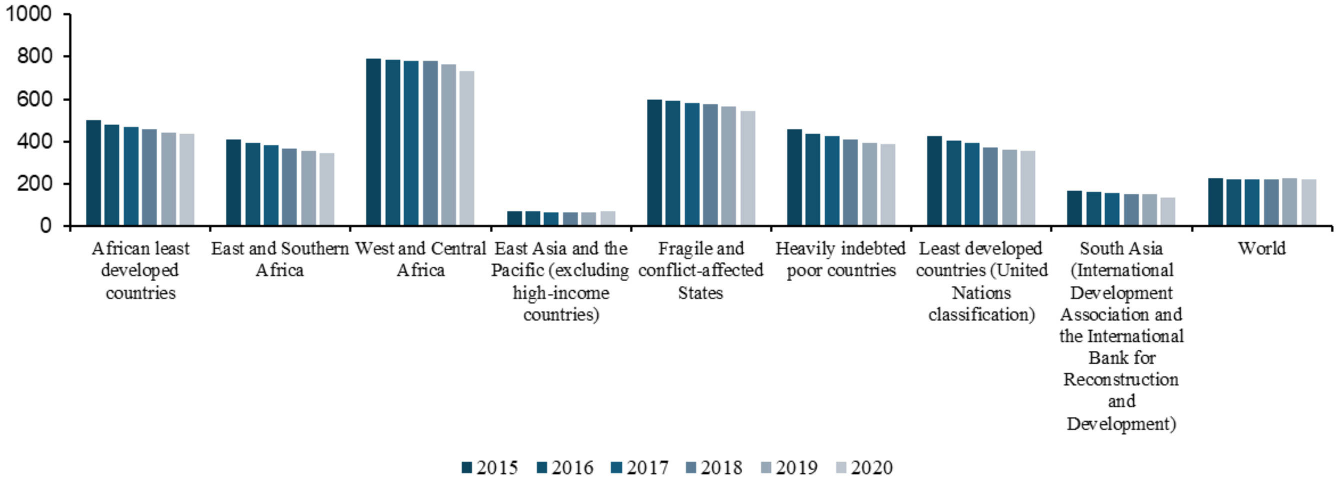
[9] Martin Armstrong, “This is how Africa is reducing its child mortality rate”, World Economic Forum, 12 April 2022.

Figure 6
Infant mortality rate
(Deaths per 1,000 live births)



Source: Department of Economic and Social Affairs, SDG Indicators Database. Available at https://unstats.un.org/sdgs/dataportal (accessed on 4 December 2024).

Figure 7
Maternal mortality ratio
(Deaths per 100,000 live births)



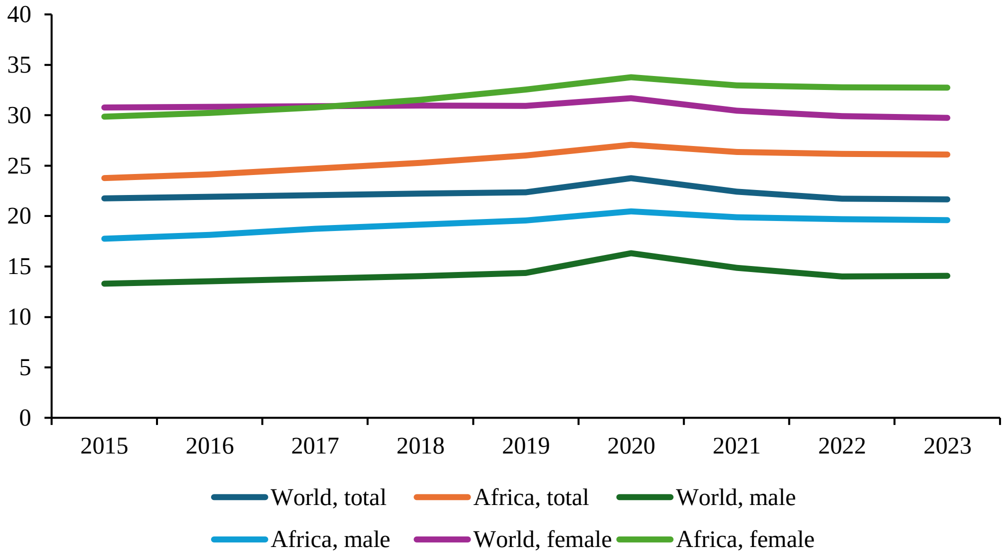
Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

5. Investing in young people

15. In Africa, 26.1 per cent of young people were neither in education nor employment nor training in 2023, as shown in figure 8, with significant disparities between young women, at 32.7 per cent, and young men, at 20.0 per cent. Investing in young people is crucial for sustainable development. By

2030, least developed countries will account for one fifth of the global youth population, offering great potential for an innovative workforce.[10]

Figure 8
Proportion of young people not in education, employment or training
(Percentage)



Source: Department of Economic and Social Affairs, SDG Indicators Database. Available at https://unstats.un.org/sdgs/dataportal (accessed on 4 December 2024).

16. In African least developed countries, the youth literacy rate was 76.6 per cent in 2022, well below the global average of 92.7 per cent, as shown in figure 9.[11,12] One in four young people in those countries cannot read or write basic statements, which limits their academic, economic and social potential.[13] In addition, only 31 per cent of young people in least developed countries use the Internet, compared with 65 per cent globally.[14] Bridging literacy, technology and gender gaps through investment in young people is crucial to enabling that population to drive innovation, economic growth, good governance and safer communities.

[10] General Assembly resolution 76/258.

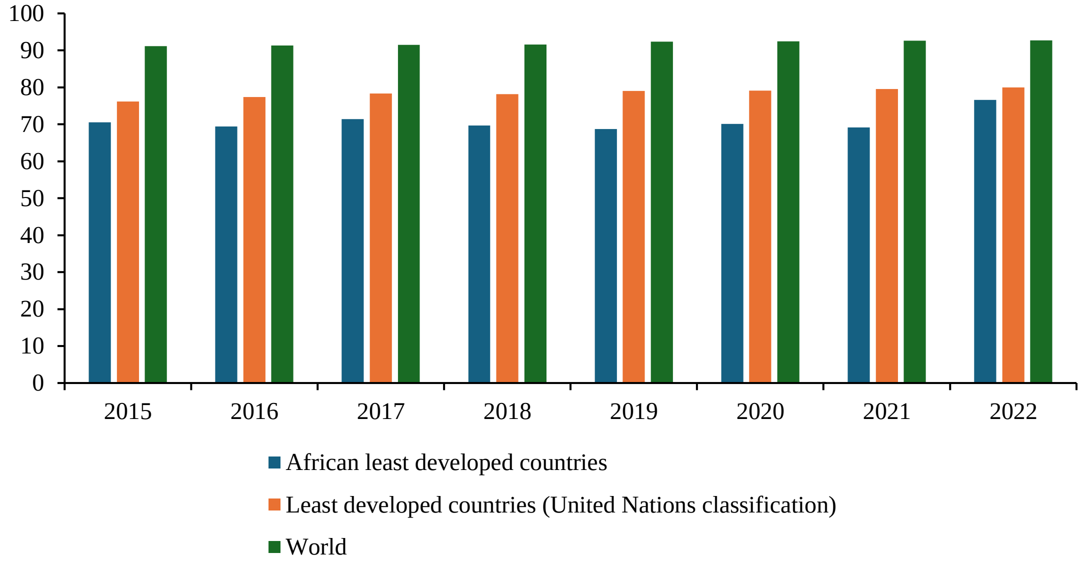
[11] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 28 October 2024).

[12] The African Union defines young people as persons 15–35 years of age. Specific statistics for this group are not available.

[13] Scholastic Research and Validation, "Reading for life: the impact of youth literacy on health outcomes" (New York, Scholastic, 2023).

[14] International Telecommunication Union, "Measuring digital development: facts and figures 2023" (International Telecommunication Union, 2023).

Figure 9
Total youth literacy rate
(Percentage of population 15–24 years of age)



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

6. Water, sanitation and hygiene

17. Access to water, sanitation and hygiene services has been improving, but levels remain low, and stronger policies are required. In 2022, less than 20 per cent of the population in African least developed countries had access to safely managed drinking water, compared with 73 per cent worldwide. In rural areas, access stood at just 8.79 per cent, compared with 38.83 per cent in urban areas.[15] In a poll across 39 African countries, water supply was ranked as the fourth most important issue for Governments.[16]

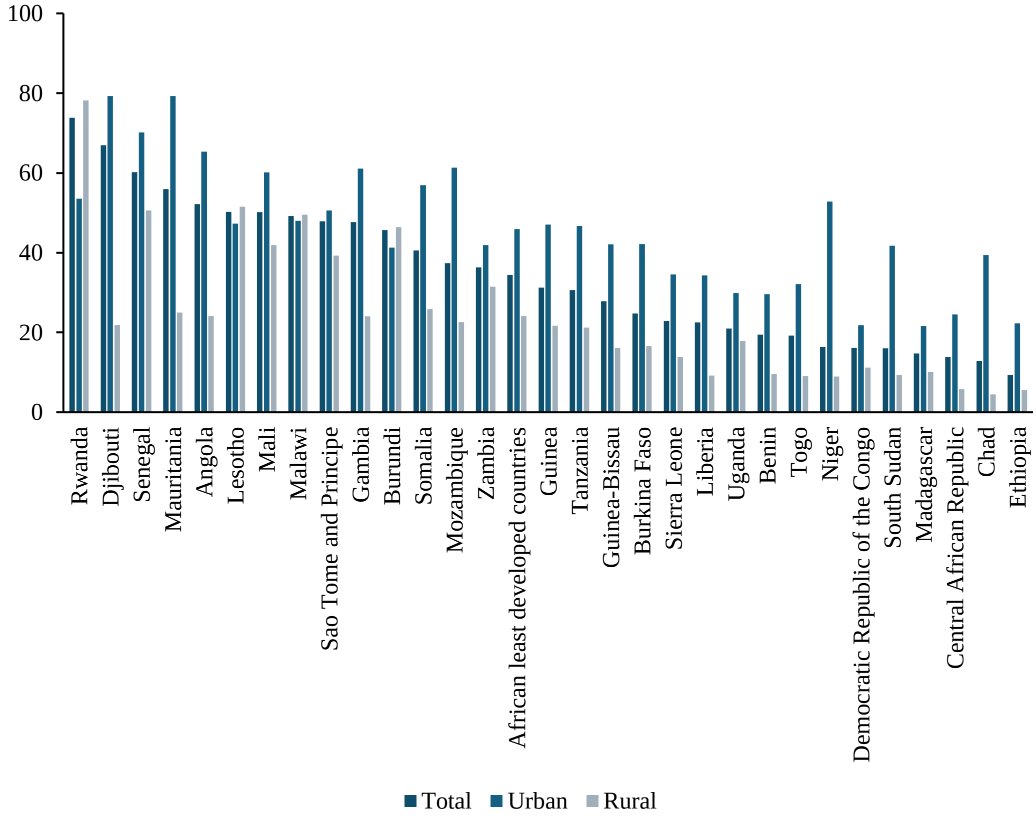
18. The percentage of people using at least basic sanitation services rose from 28.89 per cent in 2015 to 34.45 per cent in 2022, with rural access at 24.12 per cent and urban access at 45.97 per cent in 2022.[17] There are wide disparities among African least developed countries, with percentages ranging from 9.34 per cent to 66.91 per cent, as shown in figure 10.

[15] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

[16] Mohammed Saad, George Kayanja and Stevenson Ssevume, “Water and sanitation still major challenges in Africa, especially for rural and poor citizens”, Dispatch No. 784 (Afrobarometer, 2024).

[17] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

Figure 10
People using basic sanitation services
(Percentage of the population)

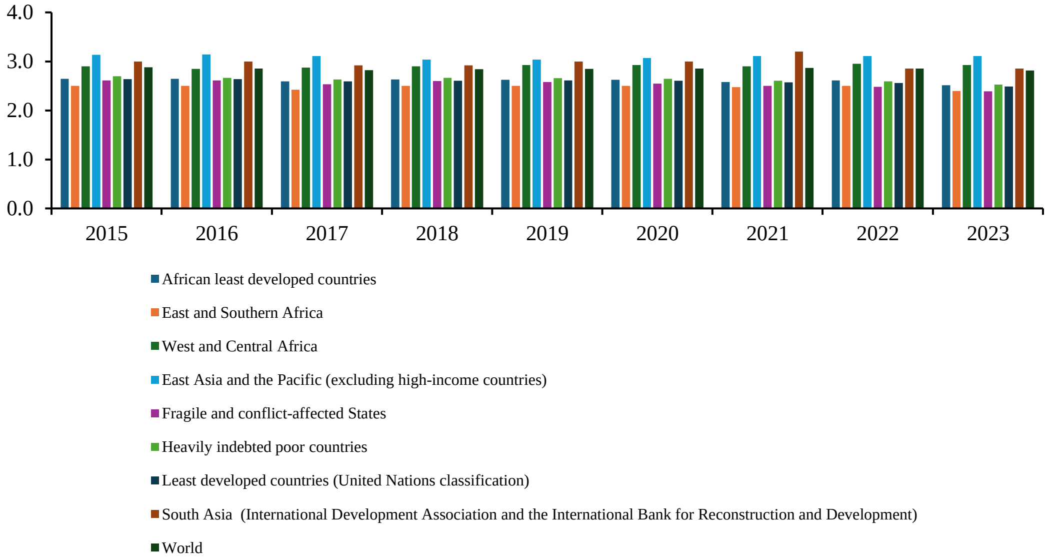


Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

7. Good and effective governance at all levels

19. Good and effective governance needs to be strengthened among African least developed countries. The Country Policy and Institutional Assessment rating, which is a World Bank indicator of transparency, accountability and corruption in the public sector, shows a slight deterioration in African least developed countries' economic and public institutions, from 2.65 in 2015 to 2.51 in 2023, as shown in figure 11. Wide variations exist, however, with such countries as Benin, Rwanda, Sao Tome and Principe and Senegal achieving a score of 3.5 in 2023, which is higher than the world average of 2.8.

Figure 11
Country Policy and Institutional Assessment ratings of selected countries and regions, 2015–2023

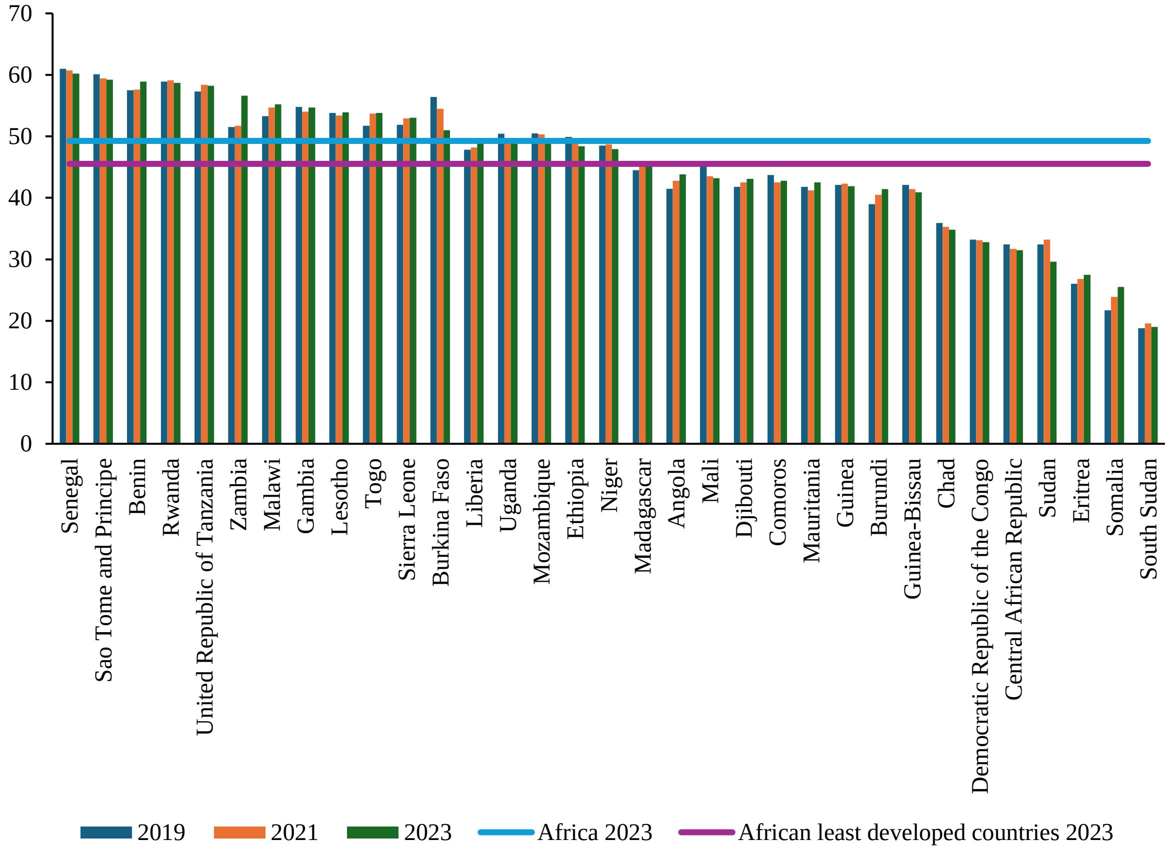


Source: World Bank, World Development Indicators, available at https://databank.worldbank.org/source/world-development-indicators, accessed on 24 October 2024.

Note: Ratings range from 1 (low) to 6 (high).

20. With regard to overall governance, the Ibrahim Index of African Governance shows a slight increase of 0.94 percentage points in the average for African least developed countries, from 44.6 in 2015 to 45.5 in 2023. Although some countries made good progress, 13 of the 32 African least developed countries showed a decline during that period, as shown in figure 12.

Figure 12
Ibrahim Index of African Governance



Source: Mo Ibrahim Foundation, Ibrahim Index of African Governance. Available at http://iiag.online/ (accessed on 24 October 2024).

B. Leveraging science, technology and innovation for sustainable development

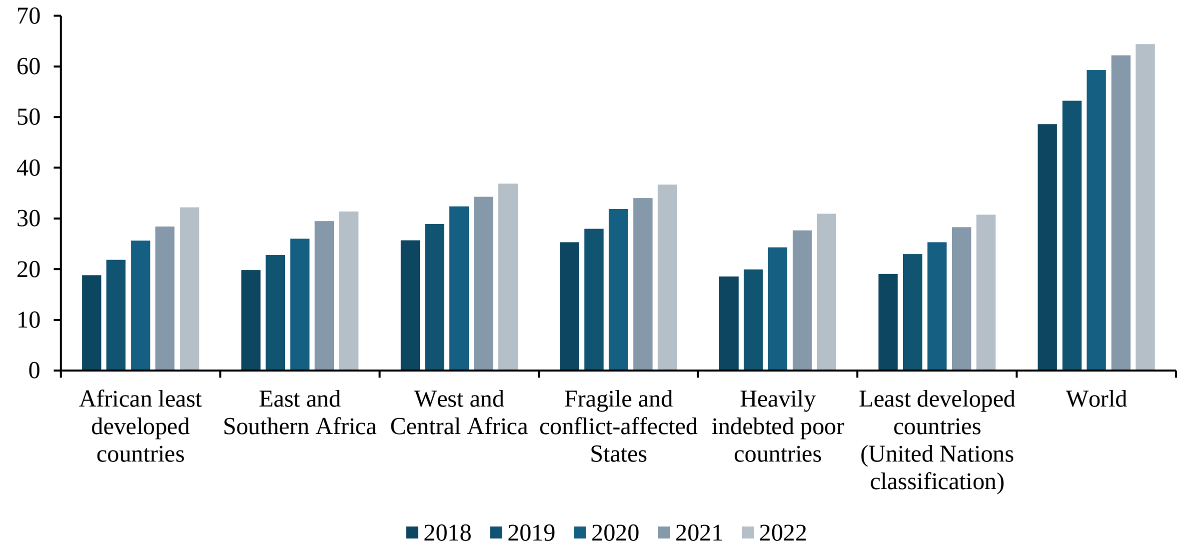
21. Spurring growth in productivity by adopting frontier technologies and developing home-grown ones will help to drive sustained growth in African least developed countries. Least developed countries lag behind in promoting the growth and expansion of science, technology and innovation, with African least developed countries occupying the lowest eight rankings of the 133 countries in the 2024 Global Innovation Index. Furthermore, only 25 per cent of people in least developed countries have basic digital skills, compared with 75 per cent in developed countries.[18] This stark contrast highlights the ongoing digital divide and the need for enhanced efforts to bridge the gap in technological capabilities.

22. Least developed countries face significant challenges in gaining access to and leveraging modern technologies, owing to limitations in Internet infrastructure and human and institutional capacities and inadequate connectivity. From 2018 to 2022, Internet usage in African least developed countries grew from 18.8 per cent to 32.2 per cent, but that level remains only half the global average, as shown in figure 13. The progress that has been made

[18] *Technology and Innovation Report 2023: Opening Green Windows – Technological Opportunities for a Low-Carbon World* (United Nations publication, 2023).

is insufficient to achieving the broad access that is needed for individuals to participate meaningfully in online political, social and cultural activities.

Figure 13
Individuals using the Internet
(Percentage of population)

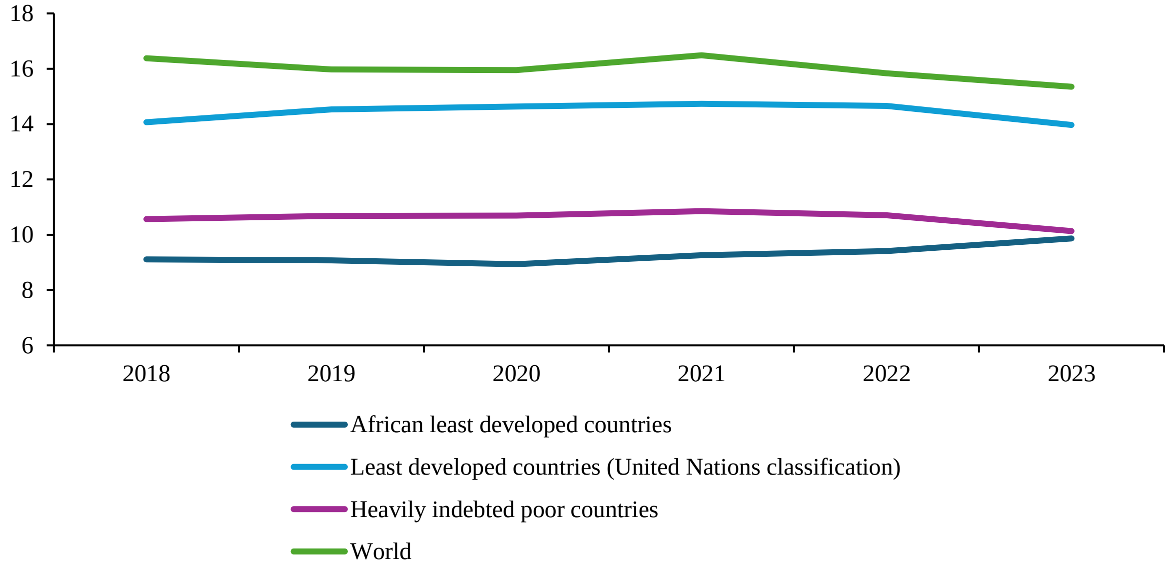


Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

23. African least developed countries have low levels of value addition and productive capacities. The mean manufacturing value addition in African least developed countries increased from 9.11 per cent in 2018 to 9.86 per cent in 2023 but remained well behind the global average of 15.35 per cent, as illustrated in figure 14. The Agreement Establishing the African Continental Free Trade Area can help to speed up economic diversification by encouraging intra-African trade and investment, in particular in value-added goods.[19]

[19] *Economic Report on Africa 2024: Investing in a Just and Sustainable Transition in Africa* (United Nations publication, 2024).

Figure 14
Manufacturing, value added
(Percentage of gross domestic product)



Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

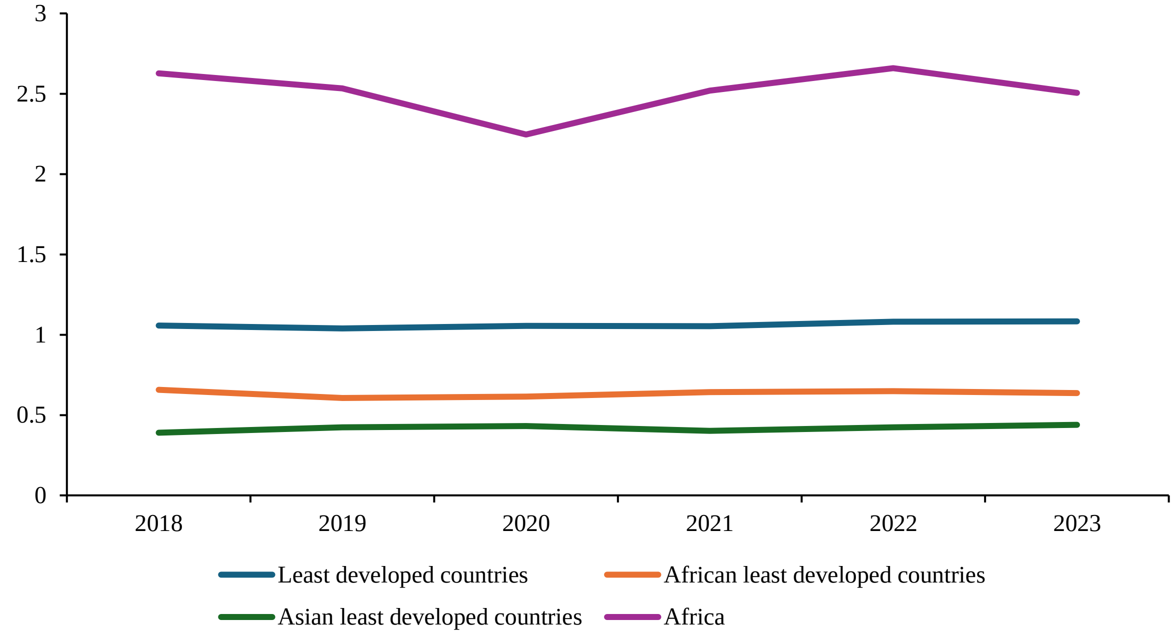
C. Supporting structural transformation as a driver of prosperity

24. Sustained structural transformation is a challenge for least developed countries, given that their economies are undiversified, reliant on commodities and aid, and low in global value chains. High-productivity manufacturing and services contribute little to their GDP, limiting export potential, growth and opportunities for employment and social development.

1. Productive capacity-building

25. Least developed countries face significant barriers to integrating into global trade and value chains and, at the current pace, are expected to miss the target of doubling the least developed countries' share of global exports (target 17.11 of the 2030 Agenda). At present, exports from least developed countries make up only 1 per cent of global exports, as shown in figure 15, compared with over 40 per cent for other developing countries. Furthermore, the share decreased slightly, by 0.02 percentage points, from 2018 to 2023.

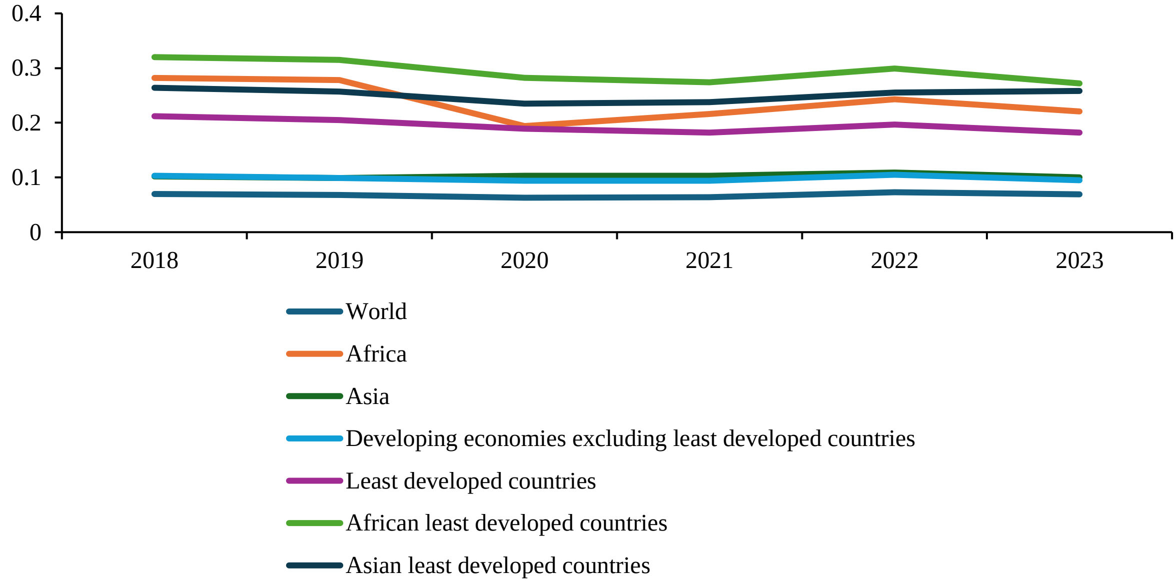
Figure 15
Merchandise exports from selected country groups, 2018–2023
(Percentage of global total exports)



Source: United Nations Conference on Trade and Development (UNCTAD), UNCTADstat Data Centre. Available at https://unctadstat.unctad.org/datacentre (accessed on 28 October 2024).

26. Although there has been a modest reduction in product concentration among African least developed countries – with product concentration index scores declining from 0.32 in 2018 to 0.27 in 2023, indicating some progress towards export diversification – they continue to lag behind other developing countries in this area, as shown in figure 16. Achieving comparable levels of export diversity and value chain integration, as outlined in the Doha Programme of Action, will require significant investments in processing raw materials, including green minerals.

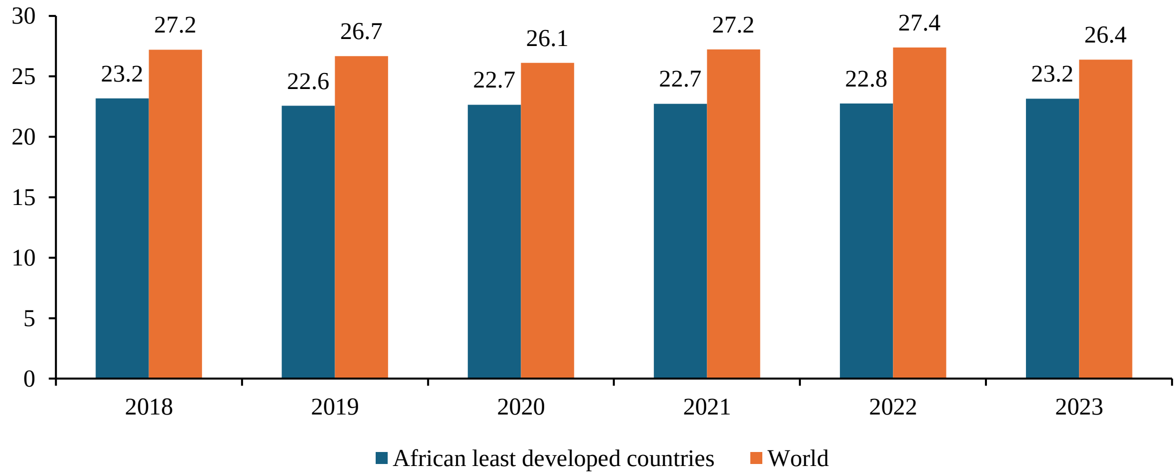
Figure 16
Product concentration index of exports



Source: UNCTAD, UNCTADstat Data Centre. Available at https://unctadstat.unctad.org/datacentre/ (accessed on 28 October 2024).

27. Moreover, the industrial value added in African least developed countries appears to have stagnated at 23 per cent of GDP from 2018 to 2023, remaining three percentage points below the global average, as shown in figure 17. In addition, from 2018 to 2022, employment in the industrial sector remained at around 11 per cent of total employment.[20]

Figure 17
Industry (including construction) value added
(Percentage of gross domestic product)



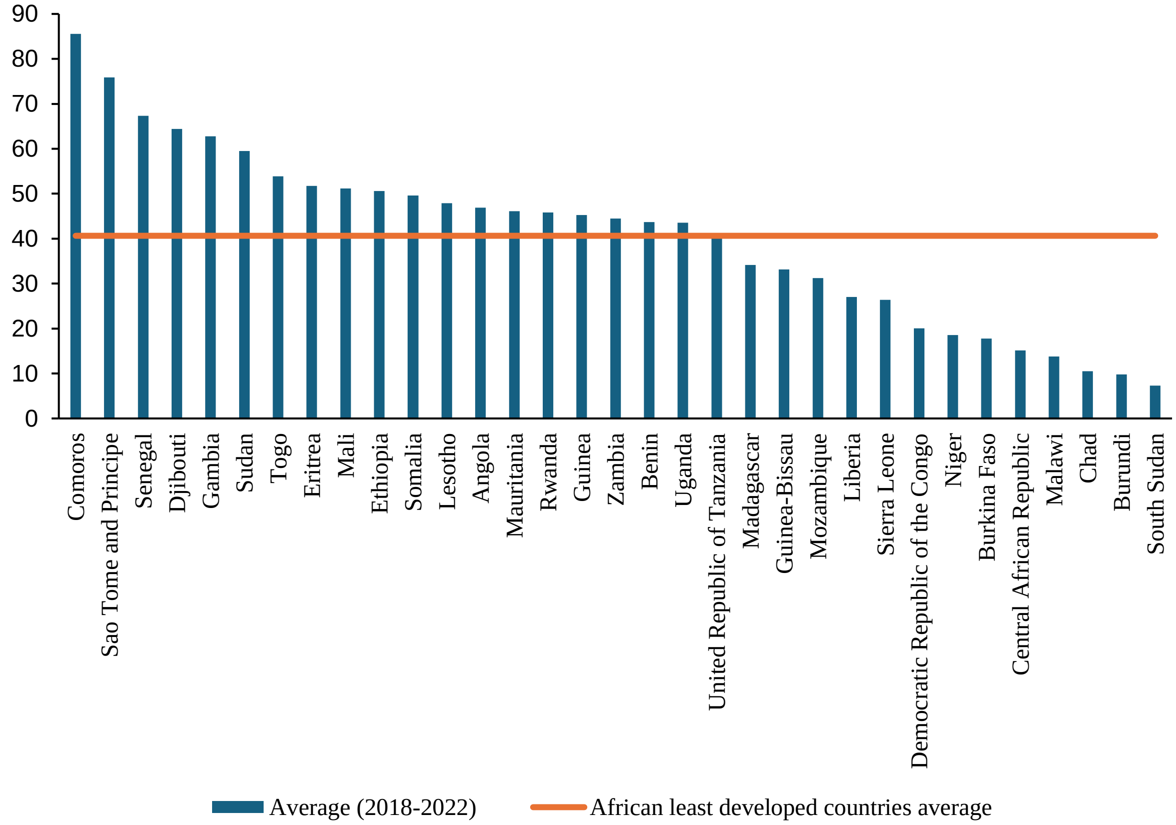
Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

[20] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

2. Limited access to affordable, reliable, sustainable and modern energy

28. The level of electricity access in African least developed countries rose minimally from 38.5 per cent in 2018 to 40.6 per cent in 2022. More than half of the population do not have access, and substantial disparities persist among countries, as shown in figure 18, and between urban and rural settings. In 2022, about 73 per cent of urban residents had access, compared with only 25 per cent in rural areas.[21]

Figure 18
Access to electricity in the period 2018–2022
(Percentage of population)

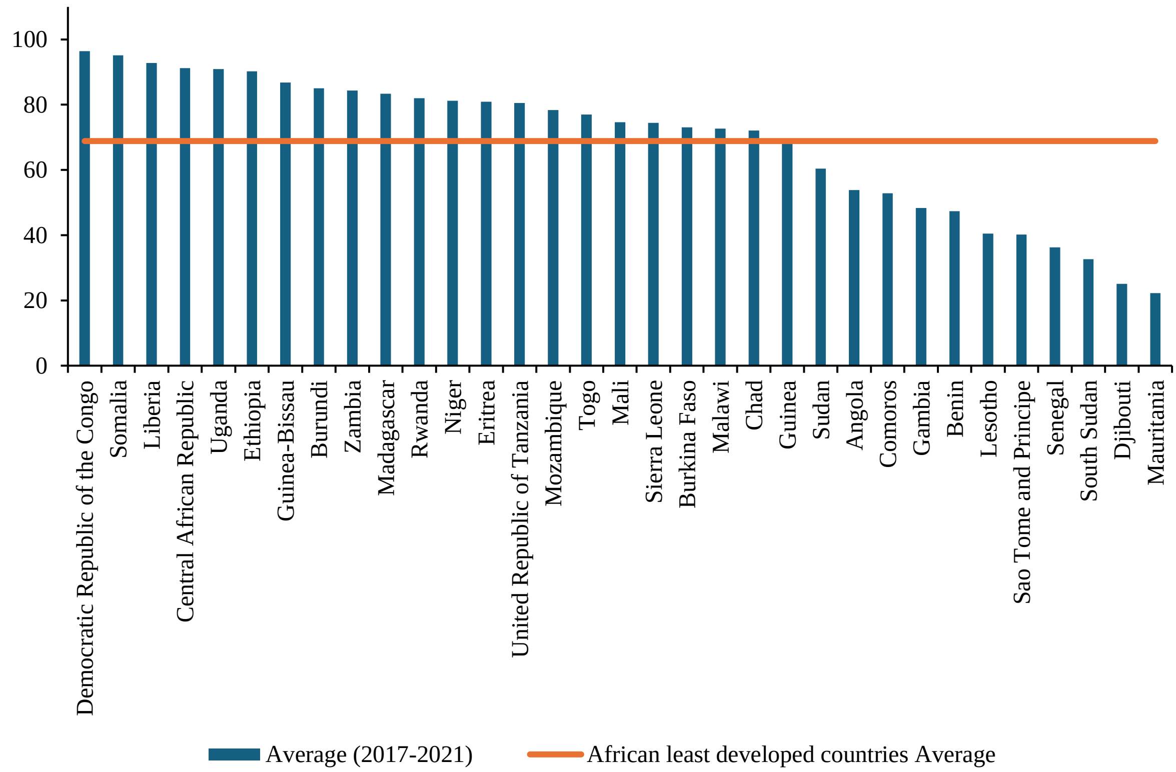


Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

29. Renewable energy makes up a significant portion of the energy mix in African least developed countries. From 2017 to 2021, an average of 69 per cent of final energy consumption derived from renewables. In the Central African Republic, the Democratic Republic of the Congo, Ethiopia, Liberia, Somalia and Uganda, renewable energy use exceeded 90 per cent. In contrast, that figure in Djibouti and Mauritania was less than 30 per cent, as shown in figure 19. Ensuring clean, universal energy access is vital for sustainable development and industrial transformation.

[21] World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

Figure 19
Average renewable energy consumption, 2017–2021
(Percentage of total final energy consumption)



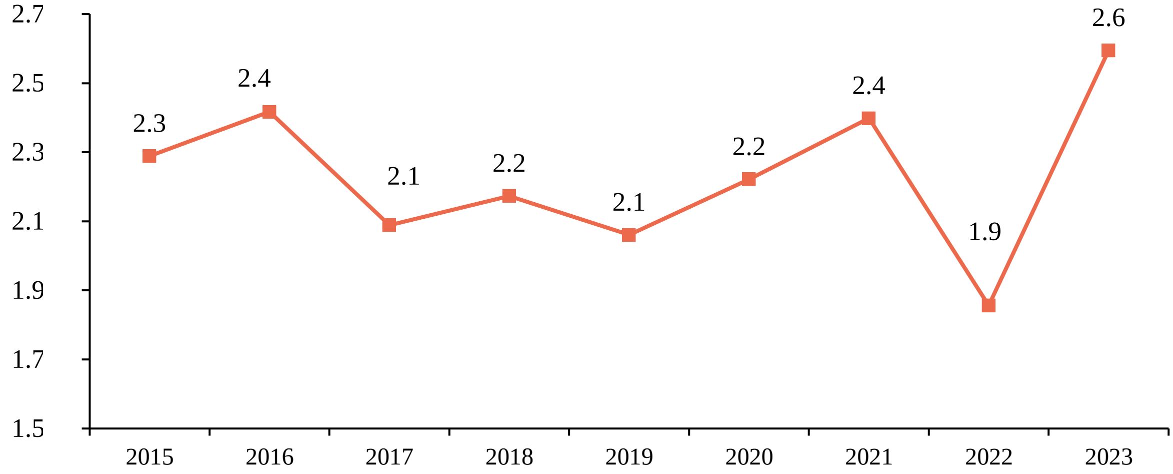
Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 24 October 2024).

D. Enhancing least developed countries' trade through African integration

30. From 2021 to 2023, the export share of African least developed countries was stable at around 0.65 per cent, which is a modest increase from the 2015–2020 average of 0.61 per cent.[22] The exports remain heavily concentrated in low-value primary, resource-based and low-technology products, with only 2.6 per cent classified as medium-to-high-technology exports in 2023, as shown in figure 20. The ongoing operationalization of the Agreement Establishing the African Continental Free Trade Area presents an opportunity to drive domestic structural transformation through better regional integration and trade.

[22] UNCTAD, UNCTADstat Data Centre. Available at https://unctadstat.unctad.org/datacentre (accessed on 15 October 2024).

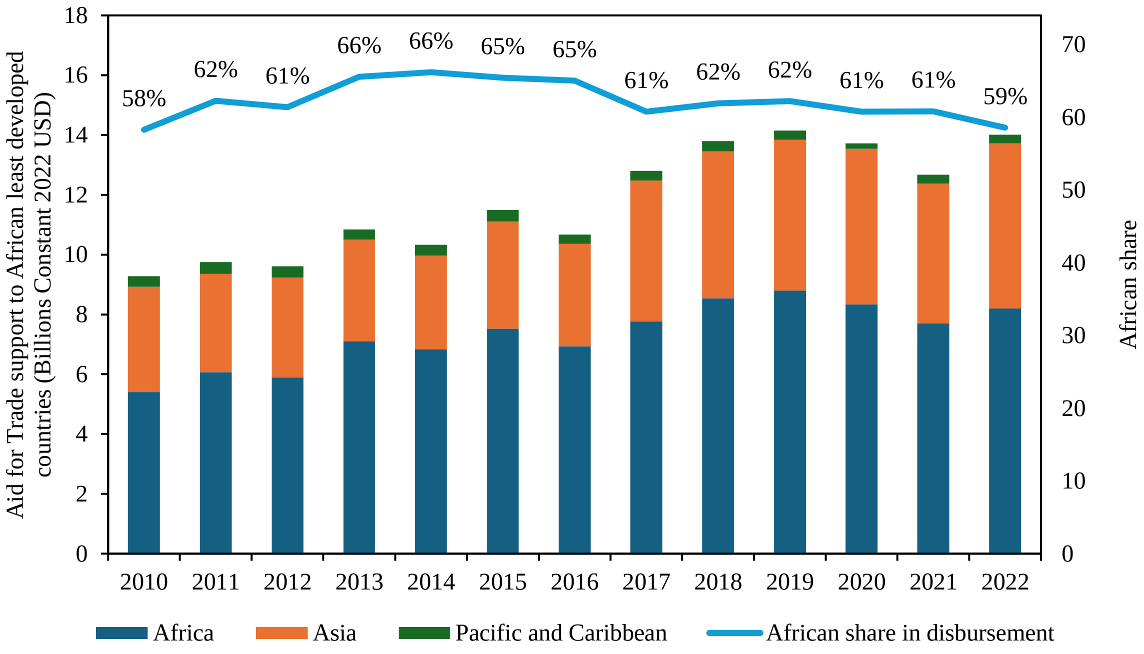
Figure 20
Medium-to-high-technology product share of African least developed countries' exports, 2015–2023
(Percentage)



Source: UNCTAD, UNCTADstat Data Centre. Available at https://unctadstat.unctad.org/datacentre (accessed on 15 October 2024).

31. Aid for Trade disbursements increased by 1.5 per cent, from $13.8 billion in 2018 to $14 billion in 2022, with growth mainly benefiting Asian countries, as shown in figure 21. African least developed countries, however, saw a 4 per cent decline in their share of Aid for Trade support, which fell to a historic low of 58 per cent in 2023. With 32 of the world's 44 least developed countries in Africa, the international community must boost Aid for Trade to these countries in order to meet the goal of doubling assistance by 2031 as set out in the Doha Programme of Action.

Figure 21
Aid for Trade support to African least developed countries, 2010–2022
(Billions of constant 2022 United States dollars (left side) and African percentage (right side))

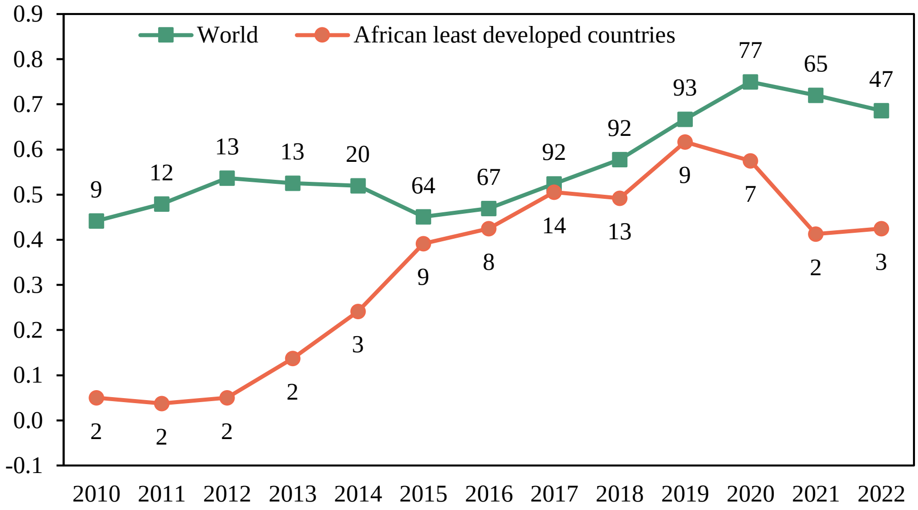


Source: Department of Economic and Social Affairs, SDG Indicators Database. Available at https://unstats.un.org/sdgs/dataportal (accessed on 16 October 2024).

32. African countries remain heavily affected by climate-related and other disasters, accounting for 15 per cent of global disasters, 25 per cent of deaths and 14 per cent of the affected population in 2023.[23] African least developed countries' efforts to align their national disaster risk reduction strategies with the Sendai Framework for Disaster Risk Reduction 2015–2030 are hindered by data limitations: recent data were available for only 3 of the African least developed countries in 2022, as shown in figure 22.

[23] ECA and others, *2024 African Sustainable Development Report*.

Figure 22
African least developed countries' national disaster risk reduction strategy alignment score, 2010–2022
(Scale from 0 (worst) to 1 (best))



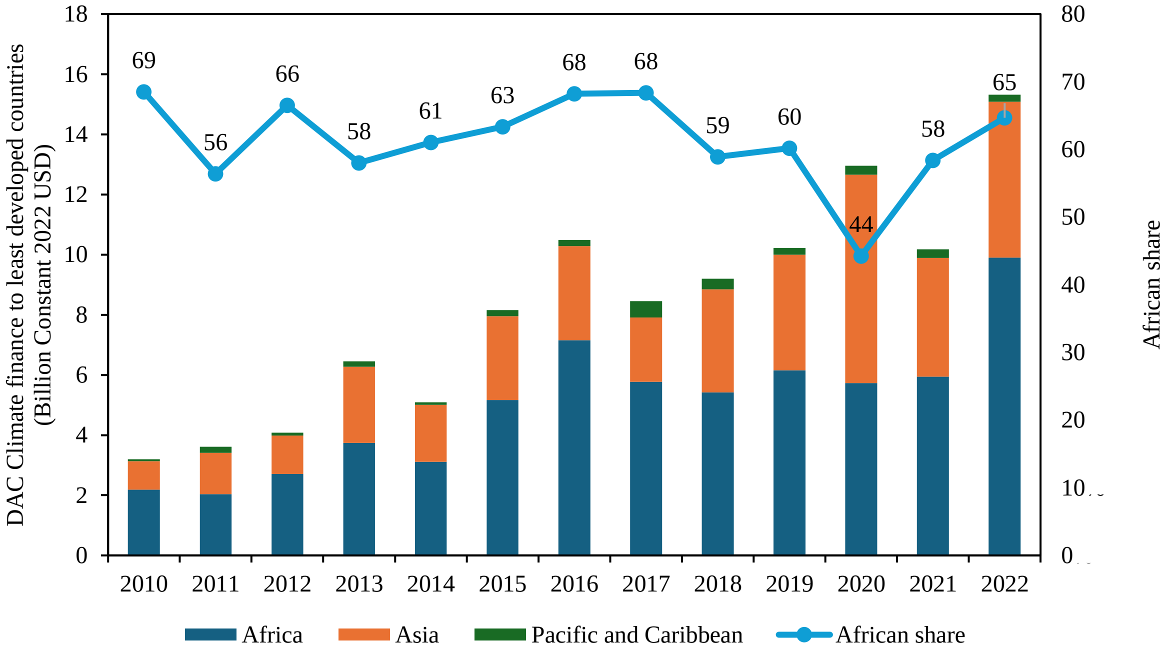
Source: Department of Economic and Social Affairs, SDG Indicators Database. Available at https://unstats.un.org/sdgs/dataportal (accessed on 17 October 2024).

Note: The numbers in the figure indicate the number of countries for which data are available.

33. Building climate resilience in African least developed countries requires finance and technology, with support through international aid. Developed countries pledged $100 billion annually for climate finance, including for least developed countries. In 2022, African least developed countries received about $10 billion, as shown in figure 23, which was an 83 per cent increase compared with the 2018 amount. A larger share of the $100-billion pledge needs to be directed to least developed countries, which received around 13 per cent of the actual amount of climate financing in 2022.[24]

[24] OECD, "CRS: Creditor Reporting System (flows)", OECD Data Explorer. Available at https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed on 17 October 2024).

Figure 23
Climate finance provided by developed countries to African and other least developed countries, 2010–2022(Billions of constant 2022 United States dollars (left side) and African percentage (right side))



Source: Organisation for Economic Co-operation and Development (OECD), "CRS: Creditor Reporting System (flows)", OECD Data Explorer. Available at https://stats.oecd.org/Index.aspx?DataSetCode=crs1 (accessed on 17 October 2024).

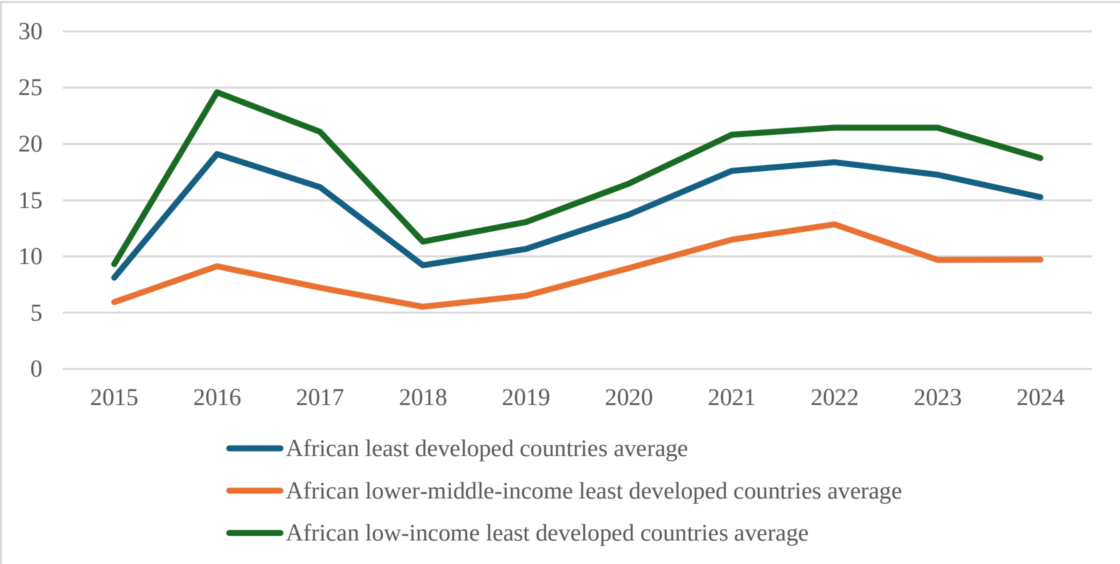
E. Leveraging international solidarity and strengthened global partnerships

34. Elevated food and energy prices, high borrowing costs, limited fiscal space and climate-related disasters are worsening the macroeconomic situation in African least developed countries, though food price inflation has declined since 2022, as shown in figure 24, and borrowing costs have stabilized. These countries need significant investment in human capital and growth sectors. According to calculations by ECA, there will be an annual Sustainable Development Goals financing gap of from $377 billion to $626 billion by 2030, depending on cost assumptions. Structural challenges, such as a low tax-to-GDP ratio (11.5 per cent in 2023), inefficient tax administration, a large informal sector, illicit financial flows and poor economic governance, further hinder resource mobilization.[25] The median fiscal deficit for African least developed countries was 3.5 per cent in 2023 and was projected to stand at 3.1 per cent in 2024 (see figure 25).

35. Increased net capital outflows, subdued export revenues, restrictive global financial conditions and climate-related disasters are further straining fiscal space, exacerbating inflationary pressures and limiting growth prospects in African least developed countries.

[25] Raul Felix Junquera-Varela and Bernard Haven, "Getting to 15 percent: addressing the largest tax gaps", World Bank, 18 December 2018.

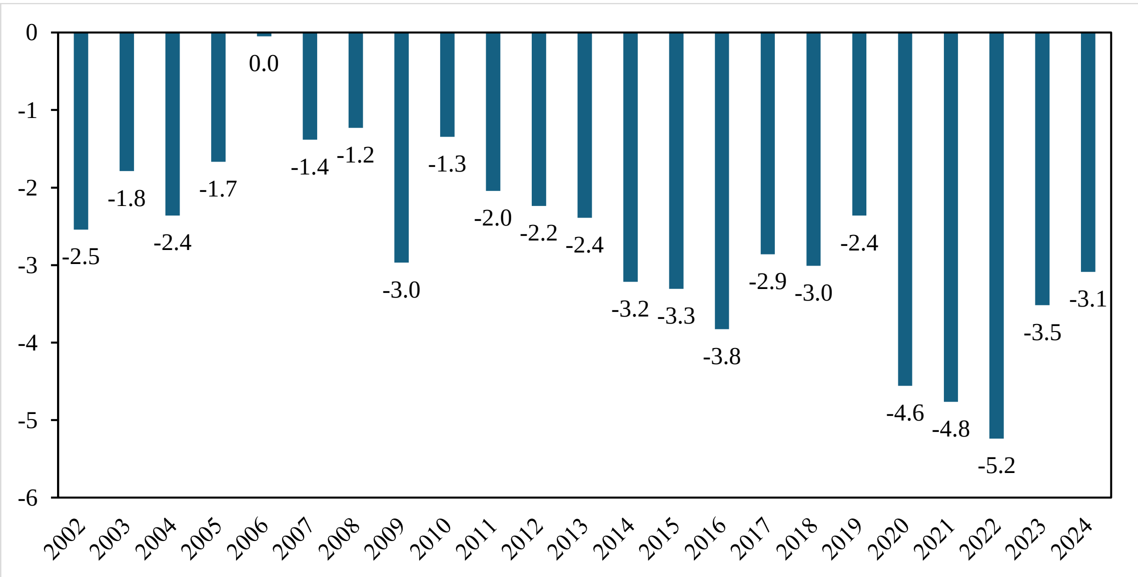
Figure 24
Food price inflation in African least developed countries (Percentage growth)



Source: ECA calculations based on food price data from the Food and Agriculture Organization of the United Nations. Available at www.fao.org/prices/en/ (accessed on 1 November 2024).

Note: Annual averages are calculated on the basis of the monthly data.

Figure 25
Fiscal deficit of African least developed countries, 2002–2024
(Percentage of GDP)



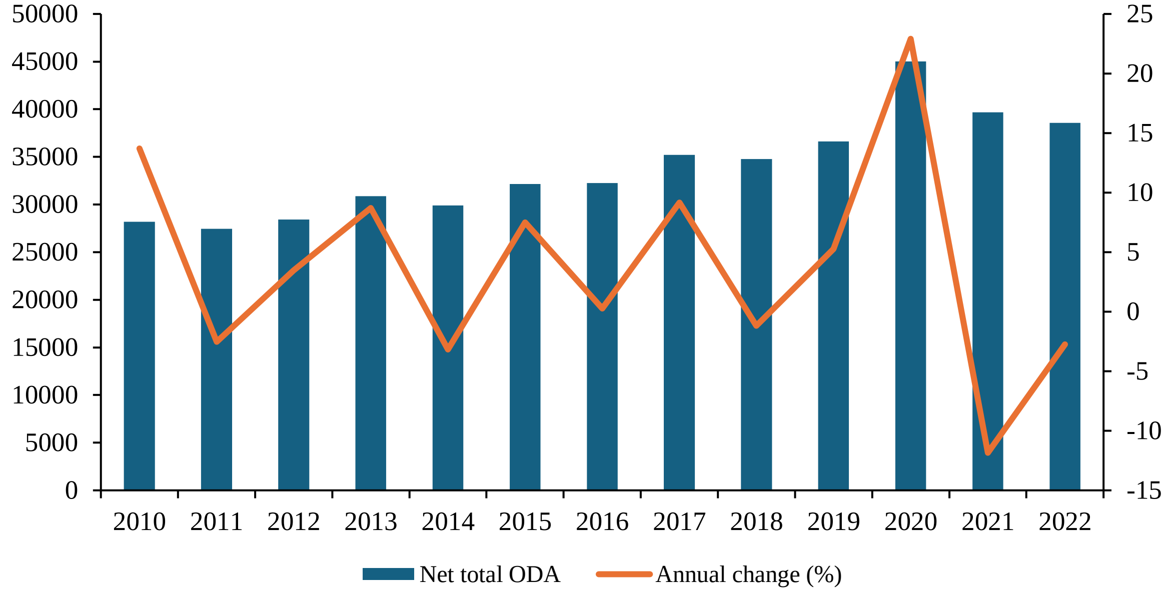
Source: World Bank, World Development Indicators. Available at https://databank.worldbank.org/source/world-development-indicators (accessed on 26 September 2024).

1. Official development assistance

36. Official development assistance (ODA) remains crucial for financing sustainable development. Global ODA reached a record $223.7 billion in 2023,

up from $211 billion in 2022,[26] but remains insufficient for development needs. Aid to African countries has fallen to its lowest level in over two decades, with ODA to African least developed countries contracting by 3 per cent in 2022, as shown in figure 26. Although ODA remains a critical source of external finance for many least developed countries, aid to Africa decreased from 33.6 per cent of global ODA in 2021 to 25.6 per cent in 2022.[27] Very few donor countries have met or sustained the 0.7 per cent target of ODA, which was first agreed in 1970 and has been repeatedly re-endorsed at the highest level at international aid and development conferences.

Figure 26
Official development assistance net total and annual growth in African least developed countries
(Millions of constant 2022 United States dollars (left) and percentage change (right))



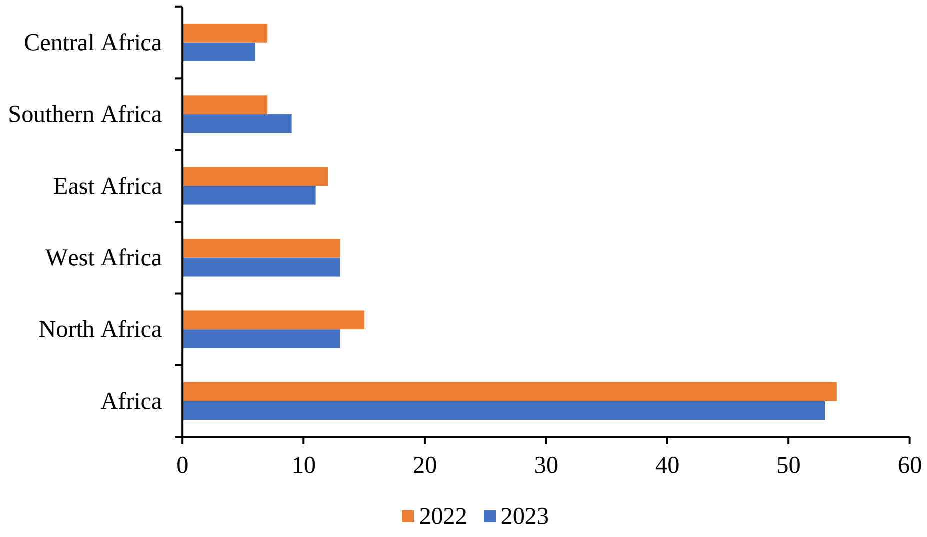
Source: OECD, OECD Data Explorer. Available at www.oecd.org/en/data/datasets/oecd-DE.html (accessed on 14 October 2024).

2. Foreign direct investment

37. From 2022 to 2023, global foreign direct investment (FDI) flows decreased by 2 per cent, reaching $1.3 trillion in 2023,[28] owing to trade and geopolitical tensions. During the same period, FDI to developing countries fell by 7 per cent to $867 billion,[29] and in Africa FDI inflows dropped by 3 per cent to $53 billion, as shown in figure 27, making up only 6 per cent of total FDI to developing economies. Net FDI inflows to African least developed countries were just $20 billion in 2023.[30]

[26] OECD, OECD Data Explorer. Available at www.oecd.org/en/data/datasets/oecd-DE.html (accessed on 14 October 2024).
[27] OECD, OECD Data Explorer. Available at www.oecd.org/en/data/datasets/oecd-DE.html (accessed on 14 October 2024).
[28] *2024 World Investment Report: Investment Facilitation and Digital Government* (United Nations publication, 2024).
[29] Ibid.
[30] Ibid.

Figure 27
Foreign direct investment in Africa, 2022–2023
(Billions of United States dollars)



Source: *2024 World Investment Report: Investment Facilitation and Digital Government* (United Nations publication, 2024).

3. Remittances

38. Remittances, a vital source of external finance for the continent, reached $100 billion in 2022, surpassing ODA and FDI.[31] Reducing the high cost of remittances is crucial in order to tap into the full potential of this financing source. In 2022, the average cost of sending $200 to Africa was $17, or 8.5 per cent, compared with less than 6 per cent across the rest of the world.[32] The international goal to lower remittance costs to under 3 per cent by 2030 and to eliminate remittance corridors with costs higher than 5 per cent (Sustainable Development Goal 10, target 10.c) remains unmet. Contributing factors include limited competition, insufficient information on cost options, a small number of migrants in sender countries, unstable exchange rates, low financial development and reliance on expensive transfer methods, such as cash and bank transfers.

4. Debt sustainability

39. The debt-to-GDP ratio for African least developed countries reached 60.8 per cent in 2023 and is expected to remain above 50 per cent in the medium term, as shown in figure 28. As of October 2024, 9 African countries were in debt distress, and 11 were at high risk of debt distress.[33] All but two of these 20 African countries are least developed countries. Total debt stock in African least developed countries has continued to increase, reaching $379 billion in 2022, as shown in figure 29.

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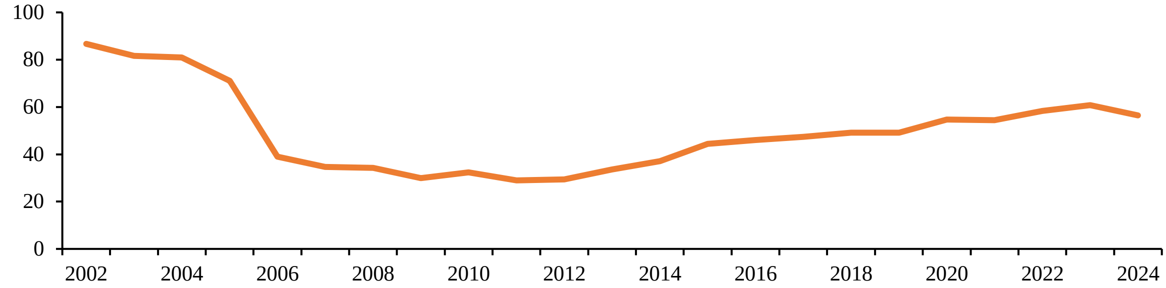
[31] United Nations, Office of the Special Adviser on Africa, "Reducing remittance costs to Africa: a path to resilient financing for development".

[32] United Nations, Office of the Special Adviser on Africa, "Strengthening the developmental impact of remittances and diaspora finance in Africa: what is the role of international cooperation?", September 2022.

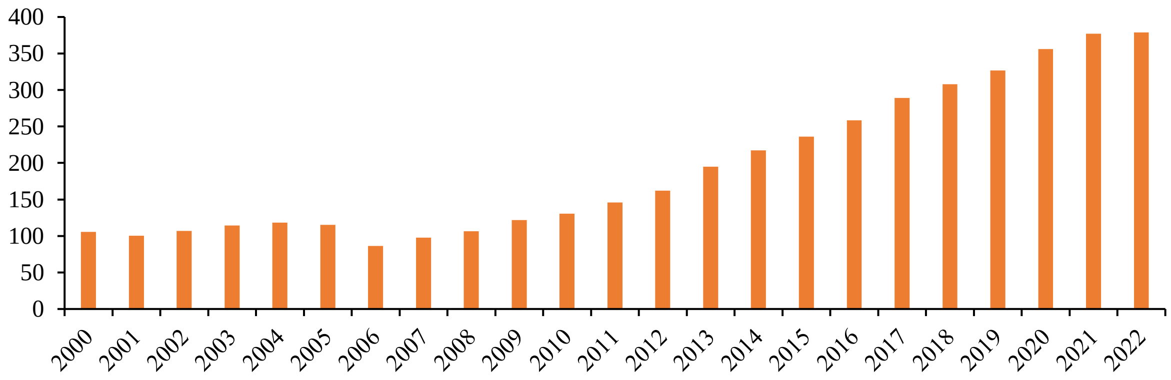
[33] International Monetary Fund, "List of LIC DSAs for PRGT-eligible countries", 31 October 2024.

Figure 28
Debt-to-gross-domestic-product ratio in African least developed countries
(Percentage of gross domestic product)



Source: International Monetary Fund, World Economic Outlook Databases. Available at www.imf.org/en/Publications/SPROLLs/world-economic-outlook-databases#sort=%40imfdate%20descending (accessed on 26 September 2024).

Figure 29
Total external debt stock of African least developed countries
(Billions of current United States dollars)

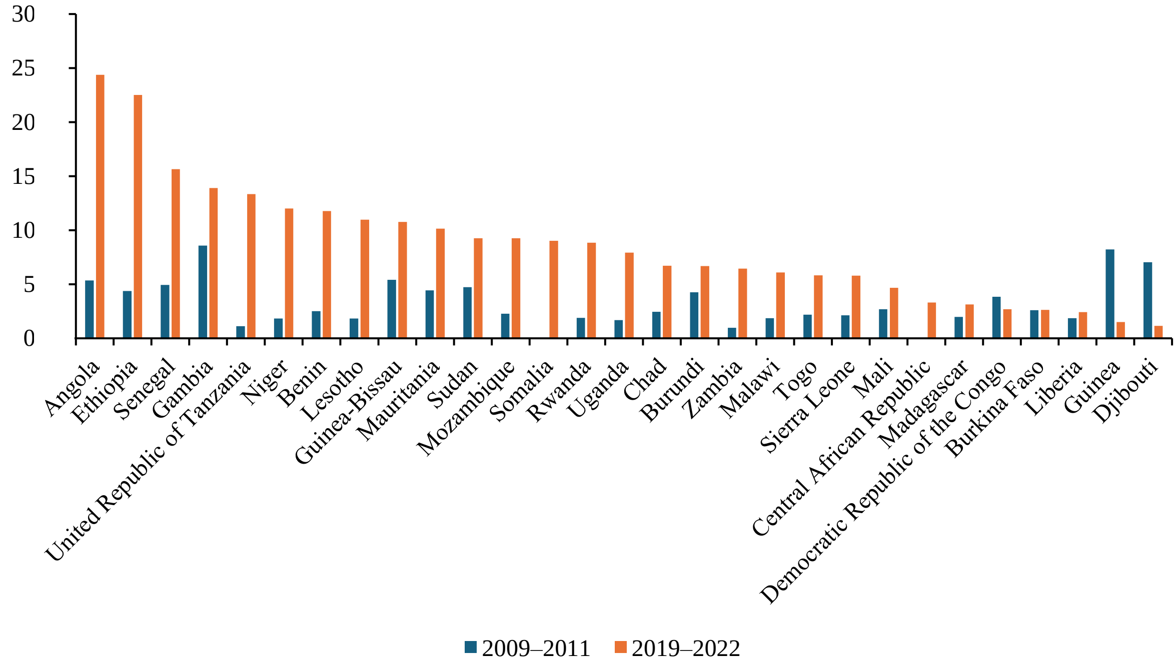


Source: International Monetary Fund, World Economic Outlook Databases. Available at www.imf.org/en/Publications/SPROLLs/world-economic-outlook-databases#sort=%40imfdate%20descending (accessed on 26 September 2024).

40. Countries face critical trade-offs between servicing their debt and pursuing their development objectives. Debt service costs for African least developed countries as a share of GDP stood at a staggering 11.2 per cent in 2022.[34] There has been a sharp increase in these costs in the past decade, with variations by country, as shown in figure 30. With debt servicing costs greater than real growth rates, African least developed countries generally experience worsening public financial conditions.

[34] World Bank, International Debt Statistics. Available at www.worldbank.org/en/programs/debt-statistics/ids (accessed on 26 September 2024).

Figure 30
Public and publicly guaranteed debt servicing for African least developed countries
(Percentage of exports of goods and services)



Source: World Bank, International Debt Statistics. Available at www.worldbank.org/en/programs/debt-statistics/ids (accessed on 26 September 2024).

Note: Data for 2009–2011 for the Central African Republic and Somalia are not available.

IV. Key challenges and the way forward

A. Data availability

41. Although data availability for African least developed countries has improved in recent years, significant gaps remain. Key challenges include limited capacity for data collection, irregular data updates and inconsistencies in quality across countries. African least developed countries need to enhance traditional data sources, such as surveys and administrative records, integrate them with administrative data and new data sources, and intensify efforts to collect, analyse and disseminate high-quality data.

B. Implementation, follow-up and monitoring

42. For African countries to graduate from the least developed countries category they must align their national development plans with the Doha Programme of Action and link them with national budgets. The integrated national financing framework helps to operationalize the Programme through the prioritization of investments and alignment of budgets with development goals. The integrated planning and reporting toolkit supports the alignment of national development plans with international agendas and national budgets, provides financing dashboards and enables digital tracking of performance. In addition, least developed countries will need scaled-up concessional financing

and technical assistance, including through digital platforms and communities of practice, to implement the Programme.

C. Way forward

43. In order to bridge the financing gap for infrastructure investment and build human and physical capital, African countries must boost domestic resource mobilization by increasing financial resources, improving spending efficiency, leveraging pension and sovereign wealth funds, curbing illicit financial flows, reforming tax systems and exploring new partnerships. Policymakers should focus on innovative tax revenues, including from digital payments, the informal sector and excise taxes on harmful goods. Reform of global financial governance is needed to support the achievement of the Sustainable Development Goals and the implementation of Agenda 2063: The Africa We Want, of the African Union, including more concessional resources, enhanced multilateral development bank capitalization, special drawing rights reform and fair credit ratings for African economies. Sustainable debt management is essential to closing the financing gap, and the Fourth International Conference on Financing for Development should be used to develop a unified approach in that regard. Continued support for recently graduated or graduating African least developed countries is critical for economic and social resilience.

44. To build resilience to shocks, African least developed countries must enhance their national and local disaster risk reduction strategies and diversify their economies, with a view to minimizing vulnerability to external crises. Equally critical is the development of robust social protection systems that can provide timely and targeted support to vulnerable populations during periods of hardship. Strengthening these systems requires investment in national and local governance structures, including by leveraging digital technologies. International assistance in the form of emergency financial support and technical expertise will be crucial in advancing this effort.

45. To accelerate structural transformation, job creation and participation in the global value chain, it is essential to further promote income growth and exports of African least developed countries, both within the region and globally. Export growth is essential to upgrading technology, diversifying the economy and creating decent jobs. This effort requires a stable and sound domestic political and social environment, and effective economic management to attract FDI. Capacity-building with strong international support will be crucial in helping African least developed countries to enhance their trade capabilities, diversify their export base and integrate into the global economy.