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Item 6 (g) of the provisional agenda*
Statutory issues

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

I. Introduction

1. The implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024 has concluded. The Programme was focused on strengthening partnerships among landlocked developing countries, transit countries and relevant development partners. The goal was to address the unique challenges faced by landlocked developing countries in a coherent manner, facilitating accelerated, sustainable and inclusive growth while striving for poverty eradication. Under the Programme, the development and expansion of efficient transit systems and transport infrastructure were emphasized, with the aim of enhancing competitiveness, increasing trade, fostering structural transformation, promoting regional cooperation and encouraging inclusive economic growth and sustainable development. Those efforts were further aimed at reducing poverty, enhancing resilience, bridging economic and social gaps, and, ultimately, transitioning landlocked countries into land-linked countries.[1]

2. Evaluating the progress of implementation of the Vienna Programme of Action and identifying its successes and challenges are crucial for the success of the Programme of Action for Landlocked Developing Countries for the Decade 2024–2034, adopted by the General Assembly in December 2024 (resolution 79/233). Under the new Programme, the international community will maintain its focus on the unique needs of landlocked developing countries. The preparation for the new Programme included convening regional review meetings in various parts of the world. The Economic Commission for Africa (ECA), in partnership with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, facilitated the high-level Africa regional review meeting in preparation for the third United Nations Conference on Landlocked Developing Countries, held in Gaborone on 29 and 30 May 2023.

3. The regional review meetings and other consultative processes were to culminate in the third United Nations Conference on Landlocked Developing Countries, whose dates and host country had been changed twice but which is

* E/ECA/COE/43/1.

[1] For further information on the Programme, see www.un.org/en/landlocked/vienna-programme-action.

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expected to be held soon. The new Programme of Action builds upon the Vienna Programme of Action. It is founded on a renewed commitment to partnerships, and the importance of multi-stakeholder support for success is highlighted. While the same objectives are retained, greater emphasis is placed on science, technology and innovation and on adaptive capacity, resilience and reducing vulnerabilities.

4. While the adoption of the new Programme of Action is a welcome development, the commencement of its implementation is an urgent imperative for various stakeholders, in particular African landlocked developing countries, which are still reeling from the effects of recent global health and economic crises and persisting geopolitical tensions. African economies continue to exhibit vulnerability, with gross domestic product (GDP) rates yet to recover to pre-pandemic levels and inflation rates persistently high. Their vulnerability has been exacerbated by the recent outbreak of mpox, which was declared a public health emergency by the World Health Organization on 14 August 2024.[2]

5. The threats of climate change and biodiversity loss exacerbate the development challenges faced by African landlocked developing countries. Their geographical locations increase their vulnerability to the effects of climate change. The lack of affordable access to resilient infrastructure and limited financial resources intensify the challenges, concerning in particular the movement of goods, services and people. Accelerating the implementation of the Agreement Establishing the African Continental Free Trade Area would invigorate the economies of landlocked developing countries by driving industrialization and diversification, which would enable countries to ascend regional and global value chains.

II. Overview of social and economic development in African landlocked developing countries

6. When the Vienna Programme of Action was adopted, in 2014, African landlocked developing countries were performing fairly well, with an average GDP growth rate of 4.6 per cent,[3] surpassing the continental average of 3.9 per cent. In 2024, however, the expected average GDP growth rate for African landlocked developing countries declined to 4.0 per cent. Despite the decrease, their average growth rate is still anticipated to remain above the continental average of 3.0 per cent in 2024. Between 2014 and 2024, individual countries within the group exhibited mixed trends, with half of African landlocked developing countries reporting average GDP growth rates above the continental average and the other half below (see figure I). That mixed performance was influenced by external and internal factors, including commodity price shocks, geopolitical tensions and supply chain disruptions, which affected countries differently over the decade.

7. The coronavirus disease (COVID-19) pandemic had a knock-on effect on the economic performance of African landlocked developing countries. Despite a rebound in subsequent years, GDP growth rates have remained below pre-pandemic levels, with growth recorded at 4 per cent in both 2023 and 2024.

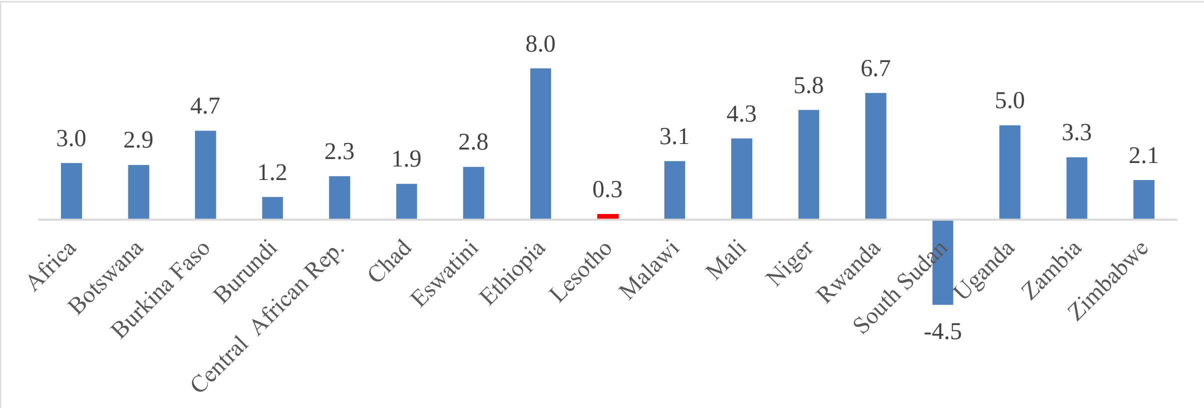
8. While African landlocked developing countries are maintaining a stable growth trajectory that surpasses the continental average, it is crucial to address underlying structural challenges to sustain the recovery and achieve the Sustainable Development Goals in alignment with the new Programme of Action. Enhanced partnerships and strategies will be vital for addressing the

[2] World Health Organization, "WHO Director-General declares mpox outbreak a public health emergency of international concern", 14 August 2024.

[3] South Sudan was excluded from the calculation of the average annual GDP growth rate for African landlocked developing countries, as its figures skewed the overall group average.

unique challenges faced by those countries so that inclusive and sustainable development can be achieved.

Figure I
Average growth rate of real gross domestic product, 2014–2024
(Percentage)



Source: ECA, based on data from the International Monetary Fund, "Real GDP growth", DataMapper database. Available at www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/NAQ (accessed on 23 December 2024).

9. Since the launch of the Vienna Programme of Action, foreign direct investment (FDI) in African landlocked developing countries has maintained an upward trend, with the exception of 2020, when inflows dropped to $6.0 billion owing to the COVID-19 pandemic. In 2014, African landlocked developing countries collectively received $7.4 billion in FDI, peaking at $11.5 billion in 2022 and reaching $10.5 billion in 2023.[4] From 2014 to 2023, FDI inflows to African landlocked developing countries increased by 41 per cent, while FDI inflows to the rest of African countries decreased by 10.9 per cent. The trend highlights the growing significance of African landlocked developing countries as attractive destinations for FDI on the continent. Notably, Ethiopia and Uganda ranked as the fourth and tenth largest FDI recipients in Africa, respectively, between 2014 and 2024.[5]

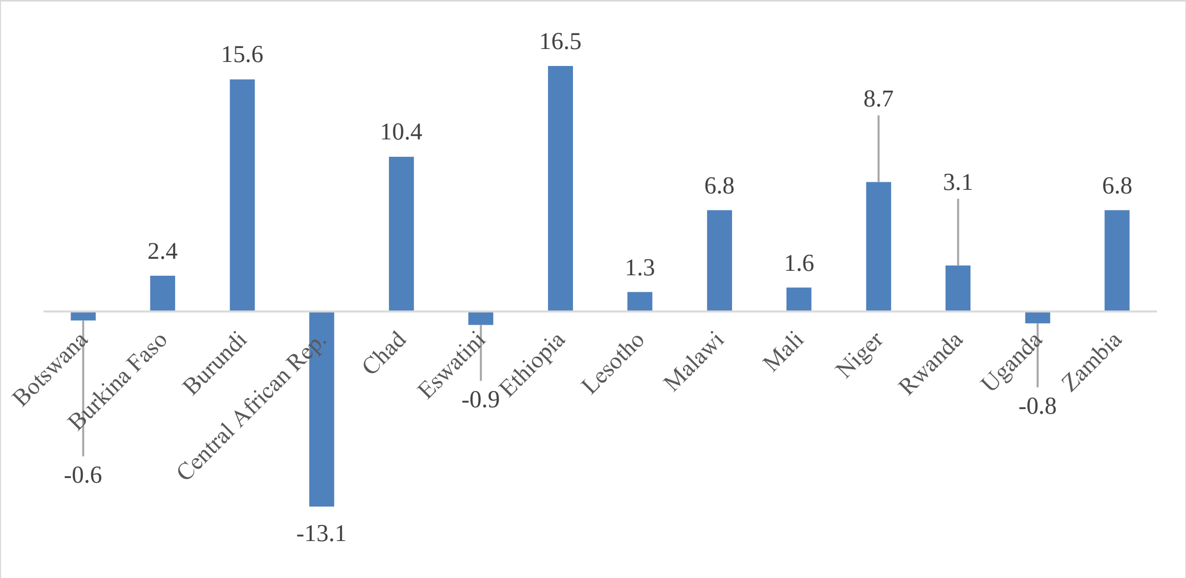
10. Inflation in landlocked developing countries, in general, has been higher than in other developing economies owing to their reliance on trade, high transport and trade costs, exchange rate volatility and, in some cases, governance challenges. It is noteworthy that, between 2014 and 2024, inflation decreased in only four countries (see figure II), which reflects the economic challenges faced by those countries. Between 2014 and 2024, the average inflation rate across African landlocked developing countries[6] increased from 5.5 to 9.6 per cent.

[4] United Nations Conference on Trade and Development (UNCTAD), "Foreign direct investment: inward and outward flows and stock, annual", UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.FdiFlowsStock (accessed on 23 December 2024).

[5] Ibid.

[6] Excluding South Sudan and Zimbabwe.

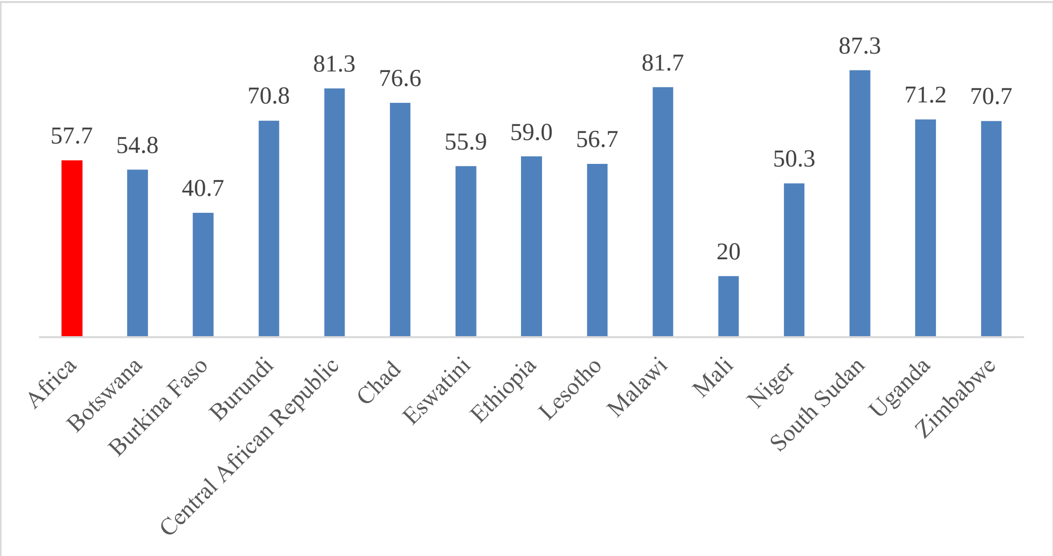
Figure II
Change in inflation, average consumer prices, 2014–2024
(Percentage)



Source: ECA, based on data from International Monetary Fund, “Inflation rate, average consumer prices”, DataMapper database. Available at [www.imf.org/external/datamapper/PCPIPCH@WEO/OEMDC/ADVEC/WEO WORLD/NAQ/AFQ](www.imf.org/external/datamapper/PCPIPCH@WEO/OEMDC/ADVEC/WEOWORLD/NAQ/AFQ) (accessed on 23 December 2024).

Note: South Sudan and Zimbabwe were excluded, as their figures were skewing the graph.

Figure III
Prevalence of moderate or severe food insecurity in the total population, three-year average, 2021–2023
(Percentage)



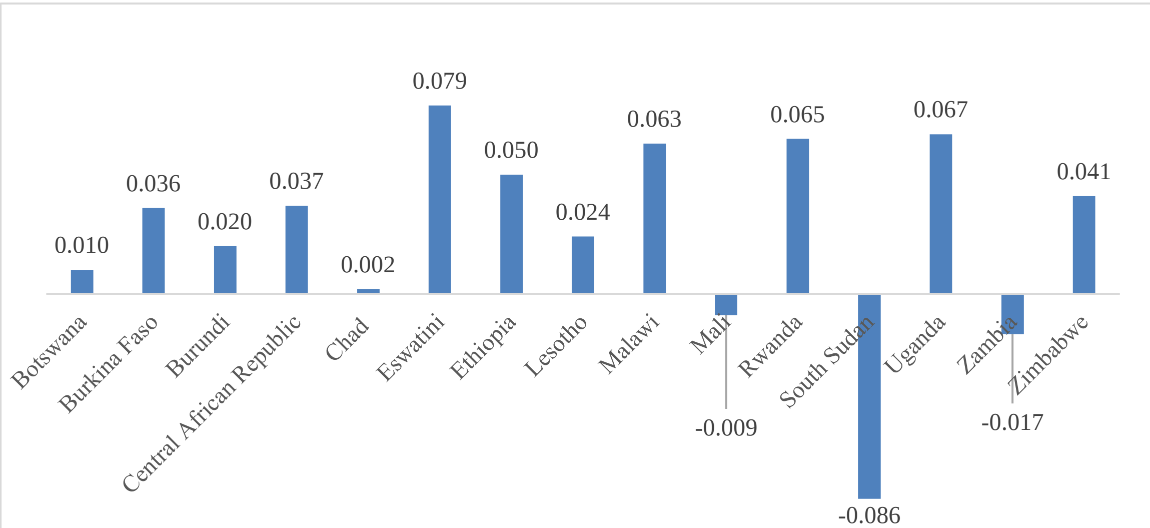
Source: ECA, based on data from Food and Agriculture Organization of the United Nations (FAO), “Prevalence of moderate or severe food insecurity in the total population (percent) (3-year average)”, FAO Hunger Map. Available at www.fao.org/interactive/state-of-food-security-nutrition/2-1-1/en/ (accessed on 5 September 2024).

Note: Data for Rwanda and Zambia were either not available or not reported.

11. Food insecurity continues to pose a challenge to African countries, which had an average prevalence of moderate or severe food insecurity of 57.7 per cent between 2021 and 2023. Among the 14 African landlocked developing countries for which data are available, 8 reported higher rates of moderate and severe food insecurity than the continental average (see figure III). Moderate to severe food insecurity in Africa has steadily increased, with the prevalence rising from 45 per cent in 2015 to 58 per cent in 2023. Only 6 out of the 16 African landlocked developing countries had available data for the three-year average from 2014 to 2016.[7] All six countries reported an increase in the average prevalence of moderate or severe food insecurity in the total population when comparing that earlier period with the subsequent period of 2021 to 2023.[8]

12. Although all African landlocked developing countries except South Sudan experienced positive average GDP growth between 2014 and 2024, their growth was insufficient for most of them to move up a category in the human development index by 2022.[9] The exceptions were Botswana, the classification of which went from medium (0.698) in 2014 to high (0.708) in 2022, and Eswatini, Uganda and Zimbabwe, the classifications of which went from low to medium. Although the other African landlocked developing countries remained at a low level in 2022, all but three improved their scores.[10] Only Mali, Zambia and South Sudan experienced a decline in their human development levels from 2014 to 2022 (see figure IV).

Figure IV
Changes on the human development index between 2014 and 2022
(Value)



Source: ECA calculations based on data from United Nations Development Programme, "Human Development Report 2015". Available at https://hdr.undp.org/system/files/documents/global-report-document/2015humandevelopmentreport1.pdf (accessed on 21 November 2024) and United Nations Development Programme, "Human Development Report 2023-24". Available at https://hdr.undp.org/content/human-development-report-2023-24 (accessed on 24 September 2024).

Note: Data for the Niger are excluded as they were unavailable for 2014.

[7] Botswana, Central African Republic, Ethiopia, Malawi, Uganda and Zimbabwe.

[8] Food and Agriculture Organization of the United Nations (FAO), FAO Hunger Map. Available at www.fao.org/interactive/state-of-food-security-nutrition/2-1-1/en/ (accessed on 5 September 2024).

[9] Human development index classification: very high (0.800 or greater), high (0.700–0.799), medium (0.550–0.699) and low (less than 0.550).

[10] Data for the Niger in 2014 were unavailable, preventing a comparison with 2022.

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

A. Fundamental transit policy issues

13. Freedom of transit and the availability of transit facilities are essential to integrating landlocked developing countries into regional and global trading systems. Simplifying and standardizing rules and documentation and comprehensively and effectively implementing international and regional conventions governing transport and transit are crucial to addressing cross-border trade challenges and improving transport connectivity.

14. The regional economic communities have made significant strides in advancing transit policies by harmonizing transport regulations, establishing joint cross-border infrastructure and fostering cross-border cooperation. Their efforts have streamlined transit processes in African landlocked developing countries. An example of successful subregional cooperation is the Kazungula one-stop border post between Botswana and Zambia, which commenced operations in May 2021. It has significantly reduced transit times, improved trade facilitation and enhanced border management.[11] Another example is the $300 million upgrade of the Beitbridge border post – the largest trade link for the Southern African hinterland, connecting the Democratic Republic of the Congo, Malawi, Zambia, Zimbabwe and even western parts of the United Republic of Tanzania.

15. Despite the established benefits of the Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment, only four African countries have ratified it since its adoption in March 2018. Three of the countries – Mali, the Niger and Rwanda – are landlocked. African landlocked developing countries urgently require enhanced transit facilitation, as they stand to benefit significantly from the increased free movement of persons across the continent. They should therefore actively champion the ratification and implementation of the Protocol.

16. Rwanda has made remarkable strides in promoting the free movement of persons by granting visa-free access to all African citizens travelling to the country since November 2023. The initiative propelled Rwanda from ninth place in the Africa Visa Openness Index in 2016 to first place in 2024. No other African landlocked developing country is ranked among the top 10 most open countries in the Index, which is prepared by the African Development Bank.[12]

17. ECA continues to collaborate with various stakeholders in Africa, in particular with African landlocked developing countries, to support their efforts in ratifying the Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment. As part of the joint project entitled "International migration in Africa: shaping a positive narrative and removing barriers to mobility", the African Union Commission and ECA conducted studies aimed at promoting the free movement of people and identifying pathways for labour mobility and skills portability. Zambia was one of the countries that benefited from the study.

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[11] African Development Bank, "Multinational (Zambia/Botswana): Kazungula bridge project – project completion report", 31 October 2022.

[12] African Development Bank, "Visa openness by ranking", Africa Visa Openness Index. Available at www.visaopenness.org/visa-openness-in-africa-2024-findings-2/visa-openness-by-ranking/.

B. Infrastructure development and maintenance

18. Infrastructure in African landlocked developing countries, encompassing roads, railways, waterways, air transport and access to information and communications technology and electricity, continues to fall short of countries' needs. The enhancement of transport connectivity in countries must therefore continue to be prioritized in the implementation of the new Programme of Action.

19. Although progress varies among African landlocked developing countries, there have been notable advancements in infrastructure development and maintenance since the launch of the Vienna Programme of Action. A prime example is the transport corridor being developed from the port of Lamu to Ethiopia and South Sudan, through which significant milestones have been achieved.[13] In addition, special economic zones have been established in Ethiopia, such as Hawassa Industrial Park, Adama Industrial Park, Yirgalem Integrated Agro-Industrial Park and Bulbula Integrated Agro-Industrial Park. Also in Ethiopia, the Modjo Dry Port and logistics hub was expanded, expressways were built from Modjo to Hawassa and from Isiolo to Moyale, and one-stop border posts were opened between Kenya and South Sudan.

20. In recent years, landlocked developing countries around the world have made significant progress in adopting information and communications technology. As of 2023, 39.2 per cent of the population of those countries had used the Internet in the three months prior to answering the most recent survey, a remarkable increase from just 15.6 per cent in 2014, but still well below the global average of 67.4 per cent. Furthermore, access varied significantly among African landlocked developing countries, with only three such countries recording rates above the continental average of 37.1 per cent in their most recent surveys: Botswana, at 77.3 per cent, Eswatini, at 58.3 per cent and Lesotho, at 47.0 per cent.[14]

21. Recognizing the importance of information and communications technology for development, many African landlocked developing countries have implemented policies and programmes to promote its adoption. For example, the Government of Rwanda has implemented a comprehensive e-government strategy in which it has digitalized various public services, resulting in improved efficiency.[15] ECA has been providing technical assistance to the Government of Botswana since the two jointly launched a performance dashboard system, which has boosted the country in terms of advancing its digital agenda.[16]

22. Access to electricity is crucial for the development of African landlocked developing countries. In 2022, the average rate of access in such countries was 38.2 per cent of the population, a significant increase from 24.6 per cent in 2014. However, the rates vary greatly among the countries, ranging from 82.3 per cent in Eswatini to only 8.4 per cent in South Sudan. Between 2014 and 2022, Rwanda made the most notable progress, increasing its rate from 19.8 to 50.6 per cent, while Uganda increased its rate from 20.4 to 47.1 per cent.

[13] Communiqué of the fourth ministerial council meeting on the transport corridor project, held in Lamu County, Kenya, 21 and 22 August 2024.

[14] International Telecommunication Union, "Individuals using the Internet", DataHub. Available at https://datahub.itu.int/data/?i=11624&e=1 (accessed on 21 November 2024).

[15] United Nations Development Programme, "Case offering: leveraging digitalisation for transformational governance". Available at www.undp.org/sites/g/files/zskgke326/files/2024-03/undp_digitalisation_full_final.pdf.

[16] ECA, "ECA and Botswana's Foreign Affairs launch a Performance Dashboard System in line with the country's national digital transformation strategy", 20 February 2024. Available at www.uneca.org/stories/eca-and-botswana%E2%80%99s-foreign-affairs-launch-a-performance-dashboard-system-in-line-with-the.

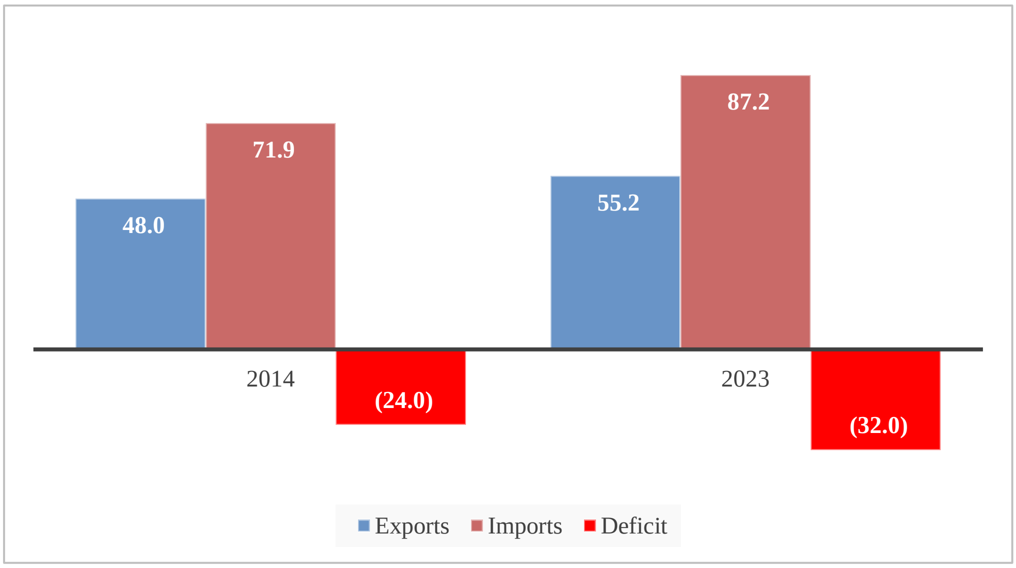
Conversely, the Niger made minimal progress, increasing its rate from 15.7 per cent in 2014 to 19.5 per cent in 2022.[17]

23. Internet access is essential for improving access to financial services, in particular through instant payment systems. As at 1 June 2024, seven African landlocked developing countries – Ethiopia, Lesotho, Malawi, Rwanda, Uganda, Zambia and Zimbabwe – had active domestic instant payment systems. In addition, a system was in place for instant cross-border payments between the Central Africa Republic and Cameroon and another in place for instant payments among Botswana, Eswatini, Lesotho, Malawi, Zambia and Zimbabwe.[18]

C. International trade and trade facilitation

24. The share of African landlocked developing countries in global merchandise trade declined between 2014 and 2023. As shown in figure V, the countries accounted for 0.32 per cent of world merchandise trade in 2014, but only 0.30 per cent by 2023. Regarding value, merchandise exports from the countries increased by 15 per cent during the same period, but imports also surged by 21 per cent, resulting in a widening of the trade deficit by a third.

Figure V
Merchandise trade: exports, imports and deficit of African landlocked developing countries
(Billions of United States dollars)



Source: ECA, based on data from United Nations Conference on Trade and Development (UNCTAD), "Merchandise: total trade and share, annual", UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.TradeMerchTotal (accessed on 21 November 2024).

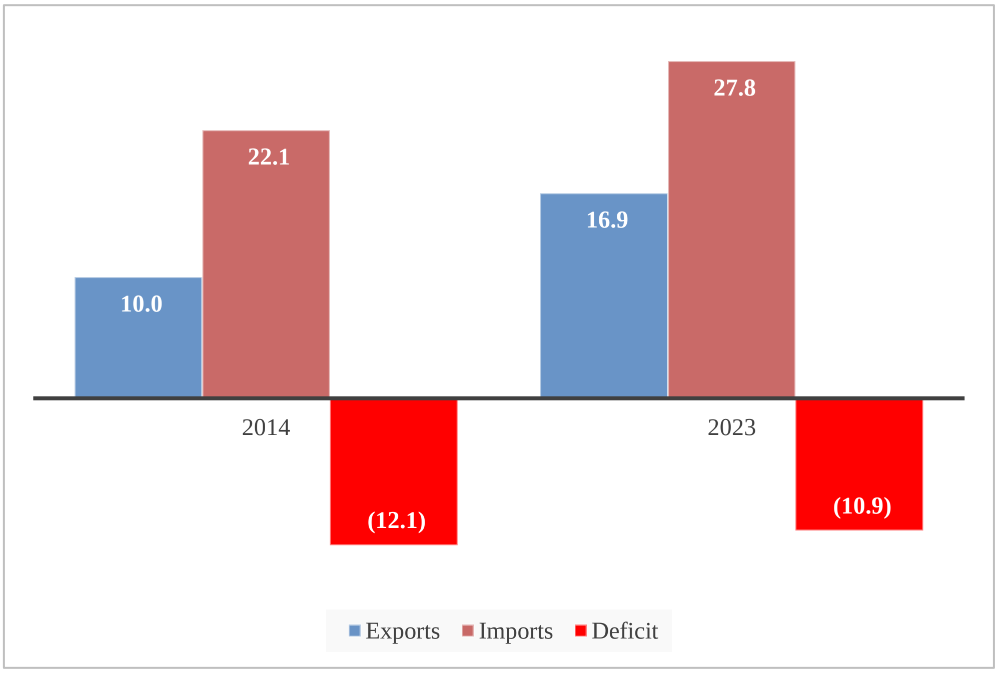
25. The share of African landlocked developing countries in global trade in services declined from 0.31 per cent in 2014 to 0.29 per cent in 2023. As shown in figure VI, the value of their exports of services, however, grew by 69 per cent and the value of their imports of services grew more moderately, by 26 per

[17] World Bank, "Access to electricity (% of population)", World Bank Open Data. Available at https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS (accessed on 21 November 2024).

[18] AfricaNenda Foundation, ECA and World Bank, *The State of Inclusive Instant Payment Systems in Africa: SIIPS 2024* (Grand Baie, Mauritius, AfricaNenda Foundation, 2024).

cent. Although most African landlocked developing countries are still net importers of services, their trade deficit for services shrank by some 10 per cent.

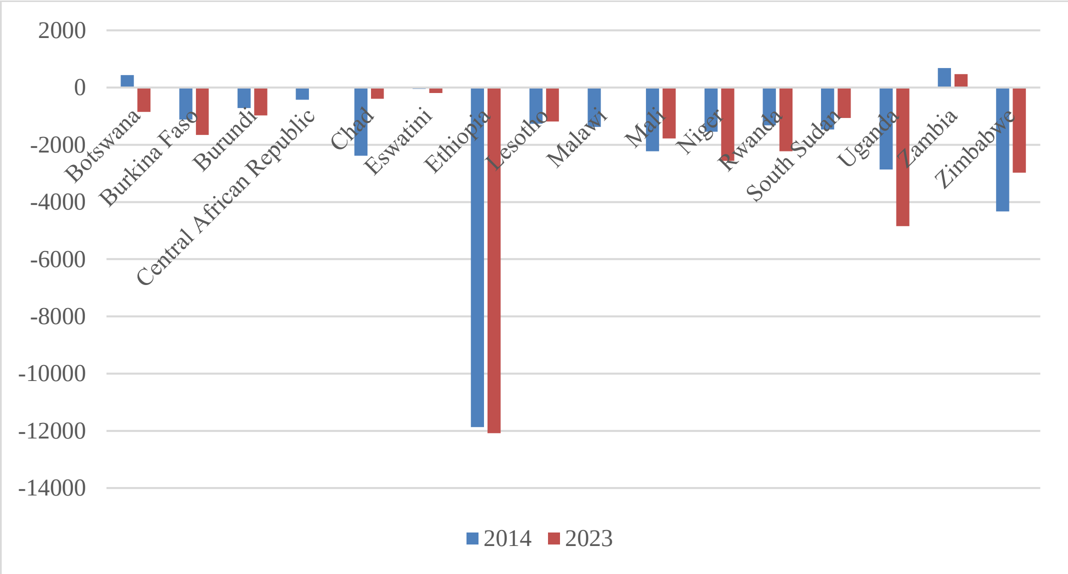
Figure VI
Services trade: exports, imports and deficit of African landlocked developing countries
(Billions of United States dollars)



Source: ECA calculations, based on data from UNCTAD, "Services (BPM6): Exports and imports by service-category, trade-partner world, annual", UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.TradeServCatTotal (accessed on 21 November 2024).

26. Most African landlocked developing countries remained net importers of goods and services during the period 2014–2023. In 2023, only Zambia had a trade surplus ($467 million). Chad, Zimbabwe, South Sudan, Mali and Lesotho reduced their trade deficits during the period 2014–2023. In contrast, Eswatini, Botswana, Uganda, Rwanda, the Niger, Burkina Faso, Burundi and Ethiopia experienced a worsening trade balance (see figure VII).

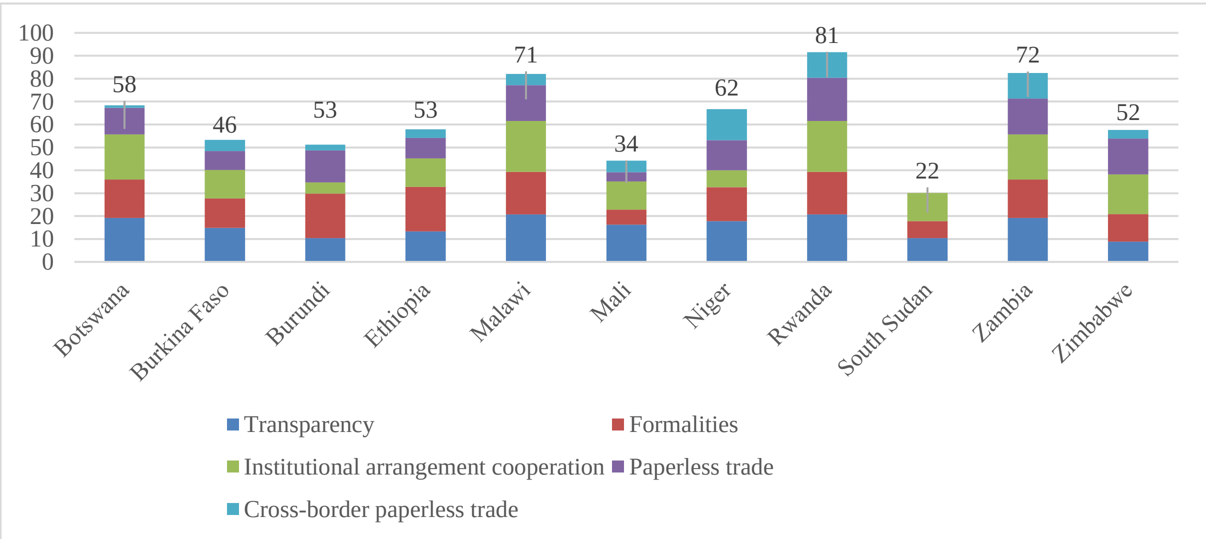
Figure VII
Trade balance of goods and services
(Millions of United States dollars)



Source: ECA, based on data from UNCTAD, “Goods and services (BPM6): exports and imports of goods and services, annual”, UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.GoodsAndServicesBpm6 (accessed on 14 January 2025).

27. The average implementation rates of trade facilitation measures among the seven African countries included in the United Nations Global Survey on Digital and Sustainable Trade Facilitation in 2015 was 32.9 per cent.[19] In the 2023 survey, the average for the 11 countries included was 57.7% (see figure VIII).[20]

Figure VIII
Implementation of trade facilitation and paperless trade measures, 2023
(Percentage)



Source: ECA, based on data reported in United Nations, *Digital and Sustainable Trade Facilitation: Global Report 2023 – Based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation* (2023).

[19] United Nations, “Trade facilitation and paperless trade implementation survey 2015: global report”, 2015.
[20] United Nations, *Digital and Sustainable Trade Facilitation: Global Report 2023 – Based on the United Nations Global Survey on Digital and Sustainable Trade Facilitation* (2023).

28. African landlocked developing countries continue to play a marginal role in global trade. Increasing their participation in global merchandise and services trade should therefore be a priority under the new Programme of Action, especially because 13 of the 16 African landlocked developing countries face the double burden of also being least developed countries. Trade serves as a catalyst for development by fostering economic growth, creating jobs and reducing poverty levels. Trade facilitation measures are therefore essential to trade efficiency, lower costs and regional integration through the African Continental Free Trade Area, which would enable those countries to better leverage their trade potential.

D. Regional integration and cooperation

29. Regional integration remains a crucial avenue for landlocked developing countries in overcoming the unique challenges posed by their geographical location, including high transport costs, limited access to markets and dependence on neighbouring countries for trade. The African Continental Free Trade Area and the Single African Air Transport Market remain the most important recent continental initiatives with the potential to integrate landlocked developing countries into regional and global value chains, enhancing their chances of transforming their economies, achieving the Sustainable Development Goals and implementing Agenda 2063: The Africa We Want, of the African Union.

30. As of November 2024, 37 countries, including 12 landlocked countries, had joined the Single African Air Transport Market, representing over 80 per cent of the continent's aviation market.[21] It is poised to significantly benefit economies in Africa, especially landlocked developing countries, by fostering intra-African trade, tourism and investment and the free movement of people and services.

31. As of October 2024, ECA and its partners had assisted Burkina Faso, Burundi, the Central African Republic, Chad, Eswatini, Malawi, Mali, the Niger, Rwanda, South Sudan, Uganda, Zambia and Zimbabwe in developing their national strategies to implement the Agreement Establishing the African Continental Free Trade Area. In addition, ECA is currently supporting Botswana, Ethiopia and Lesotho in formulating their strategies.

32. Since stronger regional integration would be highly advantageous for African landlocked developing countries, ECA continues to conduct policy-relevant studies to provide policymakers with insights on overcoming the obstacles to regional integration. The forthcoming eleventh edition of the publication *Assessing Regional Integration in Africa* provides a detailed analysis of the continent's integration journey. It contains an examination of the readiness of African countries to implement the next phases in the creation of a customs union and common market, as envisioned in the Treaty Establishing the African Economic Community and the Agreement Establishing the African Continental Free Trade Area. In the report, the urgent need for Africa, including its 16 landlocked developing countries, to strengthen regional trade and industrialization policies is emphasized.

E. Structural transformation

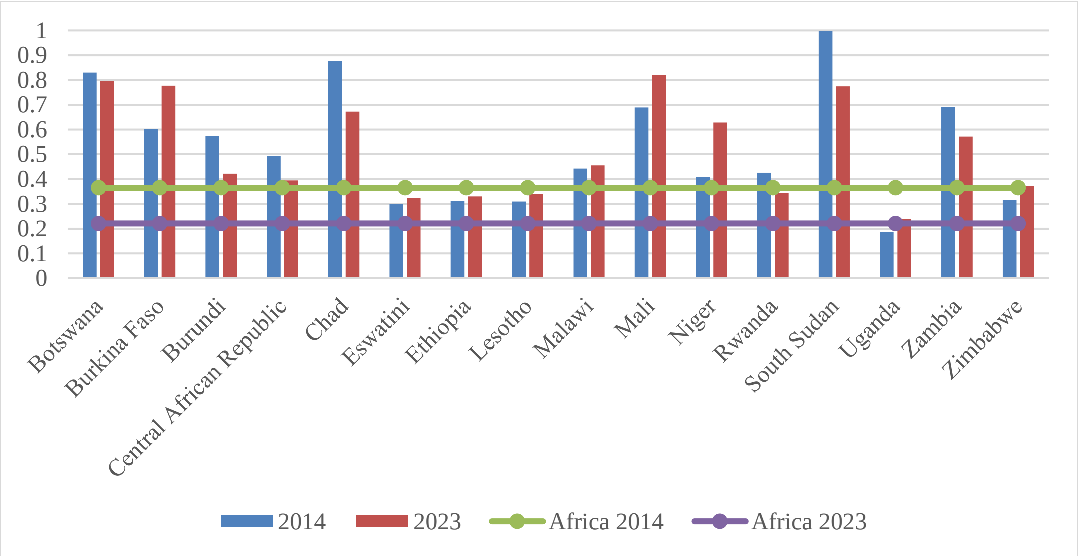
33. Achieving meaningful structural transformation in African landlocked developing countries remains a complex and multifaceted challenge owing to a confluence of factors. Overreliance on primary commodities continues to be a

[21] International Air Transport Association, "The Single African Air Transport Market (SAATM)". Available at www.iata.org/en/about/worldwide/ame/saatm/.

major constraint, exposing economies to volatile global markets and limiting value added activities. The lack of diversified industrial sectors further hampers job creation, technological advancement and economic resilience. Governance challenges, including corruption, limited institutional capacity and inefficient bureaucracy create barriers to investment and development.

34. Between 2014 and 2023, African landlocked developing countries experienced mixed progress in diversifying their exports (see figure IX). Seven countries – South Sudan, Chad, Burundi, Zambia, the Central African Republic, Rwanda and Botswana – exhibited a decrease in their scores on the export concentration index, indicating improved diversification.[22] In contrast, nine countries – the Niger, Burkina Faso, Mali, Zimbabwe, Uganda, Lesotho, Eswatini, Ethiopia and Malawi – experienced an increase in the export concentration indices, suggesting a reliance on fewer products. All African landlocked developing countries presented scores above the continental average of 0.221 in 2023.

Figure IX
Scores on the export concentration index

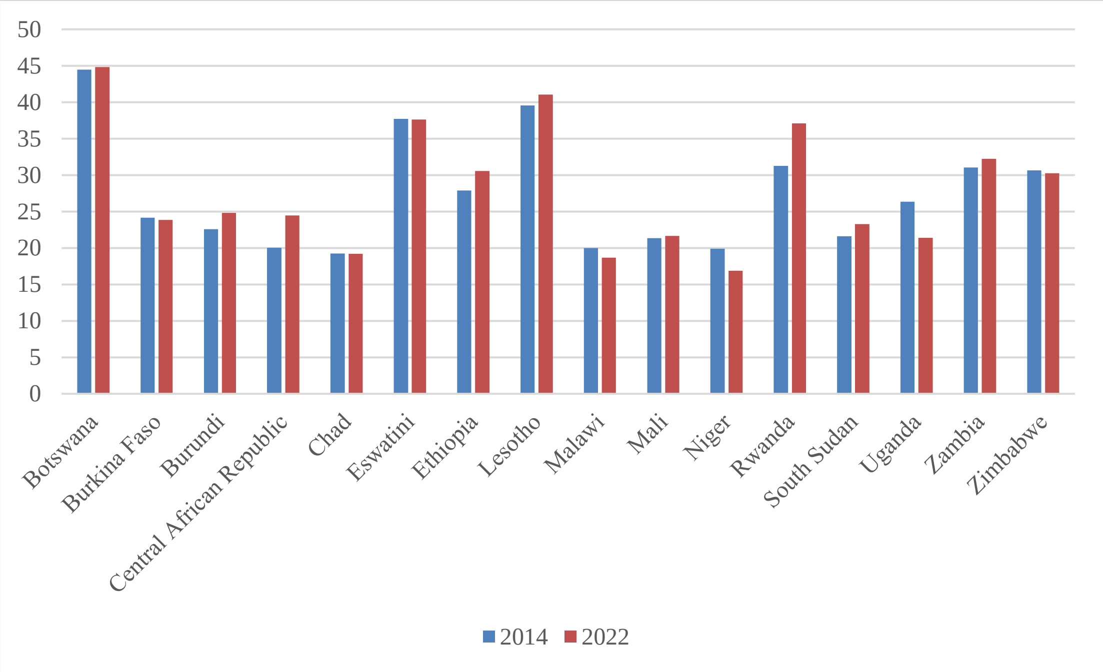


Source: ECA, based on data from UNCTAD, "Merchandise: product concentration and diversification indices of exports and imports, annual", UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.ConcentDiversIndices (accessed on 21 November 2024).

35. Productive capacities reflect an economy's ability to produce goods and services. There is an inverse relationship between the productive capacities index and the export concentration index, meaning that economies with stronger productive capacities generally achieve lower scores on the export concentration index. That implies that enhancing productive capacities can reduce dependence on a narrow range of exports and lessen vulnerability to negative external shocks. Between 2014 and 2022, nine African landlocked developing countries – Rwanda, the Central African Republic, Ethiopia, Burundi, South Sudan, Lesotho, Zambia, Botswana and Mali – improved their scores on the productive capacities index. In contrast, seven countries – Uganda, the Niger, Malawi, Zimbabwe, Burkina Faso, Chad and Eswatini – saw a decline in their scores. Rwanda recorded the most significant improvement, increasing its score from 31.3 in 2014 to 37.1 in 2022, while the score of Uganda fell from 26.4 to 21.4 during the same period (see figure X).

[22] An index value closer to 1 signifies that a country's exports or imports are heavily concentrated in a limited number of products.

Figure X
Scores on the productive capacities index



Source: ECA, based on data from UNCTAD, "Productive capacities index, 2000–2022",
UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.PCI (accessed on 21 November 2024).

36. ECA continues to support the efforts of African landlocked developing countries in achieving structural economic transformation by providing technical assistance and policy advice and by facilitating regional cooperation. For example, ECA is actively supporting the Government of Botswana in adding value to its leather industry.

F. Means of implementation

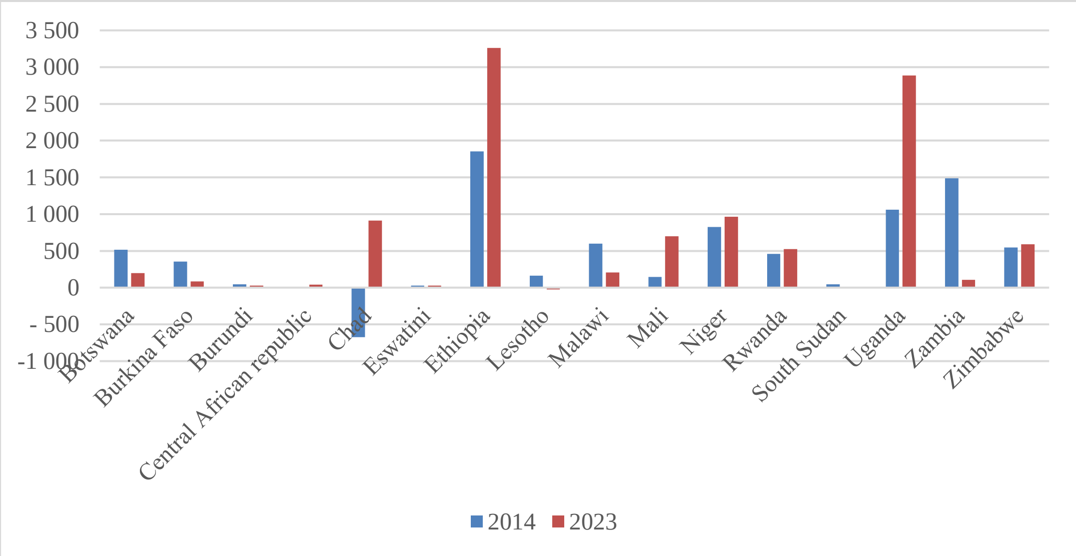
37. FDI flows into African landlocked developing countries rose from 0.54 per cent of the global total in 2014 to 0.79 per cent in 2023. Ethiopia and Uganda emerged as the leading recipients among African landlocked developing countries, collectively accounting for 59 per cent of total inflows. Seven African landlocked developing countries experienced a decrease in FDI inflows during the same period (see figure XI). That dominance can be attributed to several factors, including strong economic growth prospects. In Ethiopia, recent reforms, such as the opening of digital payment systems for foreign investment, the introduction of direct negotiations on public-private partnerships and, in July 2024, the establishment of a competitive, market-based determination of the exchange rate have created a more business-friendly environment.[23] The focus of Ethiopia on infrastructure development, manufacturing and renewable energy has attracted significant foreign investment. Uganda is implementing an electronic single window based on the Automated System for Customs Data, which has contributed to streamlined customs procedures and trade facilitation.[24]

[23] Better than Cash Alliance, "Ethiopia's national digital payments strategy 2021–2024", 15 July 2021; and UNCTAD, "Ethiopia introduces a direct PPP negotiation mechanism", 3 February 2023.

[24] *Roadmap for Building a Trade Single Window*, Transport and Trade Facilitation Series, No. 21 (United Nations publication, 2023).

38. Lesotho and South Sudan, by contrast, experienced negative FDI inflows in 2023 owing to several factors. In South Sudan, such factors included political instability and economic challenges. African landlocked developing countries can position themselves to attract more FDI and unlock their economic potential by improving their business environments. Important steps include investing in resilient transport systems, energy and telecommunications infrastructure.

Figure XI
Foreign direct investment inflows
(Millions of United States dollars)

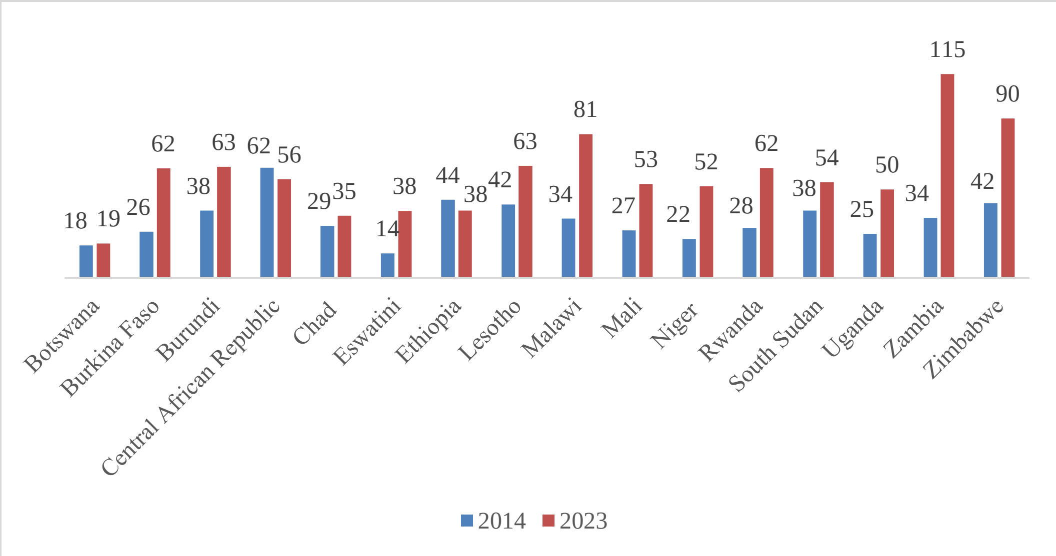


Source: ECA, based on data from UNCTAD, "Foreign direct investment: inward and outward flows and stock, annual", UNCTADStat database. Available at https://unctadstat.unctad.org/datacentre/dataviewer/US.FdiFlowsStock (accessed on 23 December 2024).

39. Over the past decade, African landlocked developing countries have encountered significant challenges in managing their debt burdens, owing to a confluence of factors. Between 2014 and 2023, public debt as a percentage of GDP increased in 14 of the 16 landlocked developing countries, the exceptions being the Central African Republic and Ethiopia (see figure XII). High debt can have a detrimental impact on economic development; it can stifle investment, hinder growth and increase the risk of debt distress or default. As at 31 October 2024, several African landlocked developing countries were either at high risk of debt distress (Burundi, the Central African Republic, Chad and South Sudan) or were already in debt distress (Ethiopia, Malawi, Zambia and Zimbabwe), which underscores the urgency of addressing the issue.[25] Global economic crises, commodity price fluctuations and natural disasters have exacerbated the vulnerabilities of those countries. Landlocked developing countries often struggle to generate enough domestic revenue to service their debt obligations, and they divert resources away from critical development priorities.

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

Figure XII
Public debt as a share of gross domestic product
(Percentage share)



Source: ECA, based on data from UNCTAD, "Regional stories", World of Debt Dashboard. Available at https://unctad.org/publication/world-of-debt/regional-stories (accessed on 22 November 2024).

40. Funds that should be directed towards the attainment of the 2030 Agenda and Agenda 2063 are often diverted to debt servicing. In 2023, debt service accounted for as much as 18 per cent of exports in such countries as Ethiopia, Lesotho and the Niger, highlighting the significant strain on their economies.[26]

41. International cooperation and support are essential in helping landlocked developing countries to achieve sustainable debt management and promote their economic development. In the new Programme of Action, emphasis is placed on partnerships and collaboration to address challenges. By adopting a holistic approach that combines debt relief, debt restructuring and sustainable development strategies, African landlocked developing countries can mitigate the negative effects of debt and create a more resilient economic future.

IV. Conclusion and recommendations

42. African landlocked developing countries have made significant strides in several priority areas of the Vienna Programme of Action. However, they continue to face challenges, in particular regarding inadequate infrastructure, the persistence of non-tariff barriers and a lack of attractiveness as FDI destinations owing to perceived risks and uncertainties.

43. Building on the achievements of the Vienna Programme of Action, the new Programme of Action provides a blueprint for assisting landlocked developing countries in reaching their development potential through five priority areas: structural transformation, science, technology and innovation; trade, trade facilitation and regional integration; transit, transport and connectivity; enhancing adaptive capacity, strengthening resilience and reducing vulnerability; and means of implementation. Those areas will guide the way in which ECA continues to support African landlocked developing countries in the coming years. Collaboration among those countries, transit countries and development partners, including ECA, will be focused on:

[26] World Bank, *International Debt Report 2023* (Washington, D.C., 2023).

(a) Supporting efforts to foster stronger partnerships between African landlocked developing countries and transit countries to implement regional infrastructure projects and reduce trade costs;

(b) Assisting African landlocked developing countries in attracting FDI and promoting domestic investment in renewable energy and infrastructure, including such transport infrastructure as roads, railways and airports, and the construction of missing links in transport corridors and information and communications technology to drive economic growth and job creation;

(c) Advocating increased financial and technical assistance from the international community to support the development efforts of African countries, including landlocked developing countries, while emphasizing the use of innovative approaches to domestic resource mobilization as the foundation for self-sustaining development;

(d) Continuing to support national strategies on the implementation of the Agreement Establishing the African Continental Free Trade Area in African countries, including landlocked developing countries, to foster industrialization and promote regionally coordinated value chains and industrial clusters, with a focus on high-growth areas and digital solutions for inclusive and sustainable development;

(e) Promoting innovative solutions, best practices and strategic partnerships that will accelerate the continent's transition to a low-carbon, climate-resilient future, balancing adaptation with climate-informed investments.