High-level Africa Regional Review Meeting in preparation for the Third United Nations Conference on LLDCs 29-30 May 2023 Gaborone, Botswana

Gaborone Outcome Document

Introduction

1. We, the Ministers and representatives from Landlocked Developing countries (LLDCs), gathered in Gaborone, Botswana on 29 -30 May 2023 for the High-level Africa Regional Review Meeting in preparation of the Third United Nations Conference on LLDCs to be held in 20

high costs, supply chains disruptions and increased transportation times. As a result, LLDCs exports fell drastically, at a rate higher than the global average.

7. We note that since the launch of the VPoA some progress has been made to close missing links and expand transport infrastructure in the African LLDCs. However, despite the progress, road and rail transit transport networks remain largely constrained both in quality and quantity due to the high scale of investment needed for infrastructure development and maintenance, inadequate skilled human resources and new technologies.

8. We note that over the review period, several African countries, including some LLDCs, have either built new airports or rehabilitated several old ones. In addition, the African Union launched the Single African Air Transport Market in January 2018 that seeks to fully liberalize market access to intra-African air transport services. Air carrier departures from the African LLDCs, had increased by 15.6% between 2014 and 2017. However, we note that the air transport industry was hard hit by COVID-19 and LLDCs have still not been able to fully recover from this. Improving and harmonizing the air transport industry in LLDCs will require massive investments to expand and modernize infrastructure, increase use of digital technologies and to rehabilitate and replace aged fleet.

9. We note that access to ICTs in LLDCs has increased over the review period. African LLDCs have witnessed a significant increase in mobile cellular subscriptions, which grew by 65% from 9.3 million in 2014 to 15.3 million in 2021. The use of internet in Africa increased from 27% in 2019 to 33% in 2021, while in the LLDCs the number of internet users increased from 29% in 2019 to 35% in 2021. We underscore that although this represents a significant improvement, it is still far below the world average of 63%.

10. We recognize that African LLDCs continue to face major constraints in fully harnessing the

and has been negatively impacted by measures introduced by transit countries and LLDCs duringCOVID-19 pandemic, particularly in response to the COVID-19 pandemic.

14. We note that during the VPOA implementation period, the African Continental Free Trade Area (AfCFTA) was established and entered into force on 30 May 2019, to further deepen regional The agreement is integration and also envisioned to result in reduced tariffs and the elimination of non-tariff barriers and more importantly expected to ease trade facilitation hurdles among the African LLDCs since it contains provisions on trade facilitation, transit and customs cooperation. Furthermore, African countries who ratified the AfCFTA have consented to liberalize up to 97% of tariff lines on intra-African

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constrained by lack of capacity especially in implementing ratified trading protocols, supply side constraints, lack of complementarity of goods, multiple membership, macroeconomic instability and shortage of key infrastructures such as transport, water and energy.

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global trade. share of merchandise exports in global exports has remained low over the review period at 0.24% in 2021, that is, 0.01% drop since the adoption of the VPOA in 2014. We are further concerned that merchandise exports from African LLDCs remained undiversified and largely comprise of primary commodities.

17. We recognize that the importance of services in the global and national economy has been increasing. However, the African LLDCs' share of exports of services to the global share of exports in services remained marginal at 2% for five straight years, that is, 2014 2019 and then dropped marginally to 1.6% and 1.7% in 2020 and 2021, respectively. The tourism sector which is one of the main contributors to LLDCs services export revenue was hardest hit by COVID-19 and the recovery is slow.

18. We recognize that over the review period, progress on structural transformation by African LLDCs has been slow due to low investment flows and subdued local investors which have undermined efforts towards value addition, technology and innovation. We also observe that over 90% exports from African LLDCs have remained largely concentrated in raw materials and the contribution of African LLDCs to global trade remained flat at around 0.2%.

19. We note that during the review period, the LLDCs have been adversely affected by climate change, the increasing frequency and intensity as well as the number and scale of disasters and their devastating impacts, which have resulted in massive loss of life, food insecurity and famine, biodiversity loss, water-related challenges, decline in forest area as a proportion of total land area, displacement, humanitarian and development needs and long-term negative economic, social and 20. We note that total external financial resources received by African LLDCs from Official Development Assistance (ODA), Foreign Direct Investments (FDI) and remittances, shows an upward trajectory from the year 2014 when VPOA was launched. In 2021, a total of \$7.3 billion in FDI was received, a real increase of 3% since the VPOA was launched. This amounted to 0.45% of total global FDI inflows8A

strategies and international cooperation to improve affordability, education, capacity-building, investment and technology transfer on mutually agreed terms.

37. We also encourage African LLDCs to develop new policies related to digital identity, data security and data privacy, among others with a view to benefit from the digital economies, especially through digital trade, including leveraging the AfCFTA Protocol on Digital Trade.

38. We further encourage LLDCs to enhance their efforts to integrate into e-commerce. In this regard, we urge international partners to provide capacity-building to assist LLDCs in addressing gaps in legal and regulatory frameworks and developing digital skills.

39. We encourage African LLDCs to engage in all discussions that will shape international rules and regulations of e-commerce and the digital economy.

40. We also call upon the UN system, in particular the Economic Commission for Africa, working in collaboration with Afrexim Bank and African Development Bank to expedite efforts to support the development of digital trade on the African continent to accelerate the operationalization of the African Continental Free Trade Area.

41. We encourage LLDCs to provide 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 incentives. We call on development partners, the UN system, other international and regional organizations to provide capacity-building support to LLDCs to improve the business environment and the ability to attract and retain the private sector in the ICT.

42. We recognize that investments in renewable energy presents massive opportunities for African LLDCs and we encourage LLDCs and transit countries to create an enabling environment for energy investment and infrastructure operations.

43. We call upon the international community, including regional and international development banks, bilateral donors, the United Nations system, the International Renewable Energy Agency and other relevant stakeholders to scale up investments and technical support to promote renewable energy on a wider scale in LLDCs in order to overcome rural-urban and gender disparities, and increase overall access to clean cooking fuels and electricity. In particular LLDCs should be supported to strengthen their capacities for planning, implementing and monitoring renewable energy policies and for developing bankable projects in order for them to take full advantage of climate funding for energy projects. African LLDCs also need support to increase investments in improving energy efficiency.

44. We encourage regional organizations to develop regional policies and implementation processes that facilitate cross-border energy cooperation and we also encourage regional utility organizations such as power pools in partnership with regional development

45. We encourage African LLDCs to intensify the implementation of Rural Electrification Programmes to promote Universal Access to electricity that are funded through public private partnerships and national fiscal mechanisms. We note the need to scale up initiatives such as the light-up Africa initiative.

46. We call upon LLDCs, transit countries and their trading partners to further enhance implementation of their obligations under all relevant international, regional and bilateral agreements to improve transit in a manner consistent with their trade and development objectives and we call on development partners, private sector and relevant international and regional and sub-regional organization to enhance support to LLDCs and transit developing countries to implement these agreements.

47. We recognize the need for innovative approaches to treat in a holistic manner, the issues of transit, transport and trade facilitation and call on the international community to support LLDCs to address the limitations arising from the rising transport and logistic costs that are hampering their effective participation in regional value chains using their comparative advantages.

48. We further call on the international community to support LLDCs and transit countries with the implementation of the WTO Trade Facilitation Agreement, giving special consideration to the areas identified by LLDCs as requiring assistance including human resources and training, legislative and regulatory framework, information and communication technology and infrastructure and equipment, enhanced freedom of transit, fees, and formalities, border crossing cooperation and technical cooperation.

49. We call upon the members of the World Trade Organization to strongly commit to addressing the marginalization of LLDCs in international trade and to improve their effective and equitable participation in the multilateral trading system. We further call on enhanced market access including through addressing non-tariff barriers in key markets for LLDCs, addressing tariff escalations, and the elimination of trade barriers that are inconsistent with WTO Agreements. We also call for enhanced support to LLDCs to meet international standards, as well as to benefit from WTO agreements.

50. We welcome the operationalization of the African Continental Free Trade Area Agreement and note that its success hinges on improved financial integration, trade facilitation, conducive trade policies, regulations and mechanisms as well as reliable and resilient infrastructure.

51. We affirm determination to target diversification of economies as a key part of our1 0 0 1 392.95

implement policy measures aimed at building productive capacity as this is key in fostering intra-African trade, stimulating the much-needed manufacturing and economic development.

53. We encourage LLDCs to continue to formulate policies and strategies aimed at diversifying their export structure and adding value to their exports in order to expand their participation in sustainable regional and global value chains.

54. We encourage LLDCs, with the support of UN agencies and development partners to strengthen their services sector by adopting enabling policies and a conducive business environment needed to strengthen

great concern that LLDCs suffered disproportionately high human and economic losses from these disasters and acknowledge the compounded socio-economic impacts of the COVID-19 pandemic.

61. We reaffirm our commitment to address climate change in accordance with the principle of common but differentiated responsibilities and capabilities and national circumstances and we call on Member States, as well as relevant regional and international organizations to continue to support climate change adaptation and mitigation efforts and strengthening resilience in African LLDCs.

62. We urge developed country parties to the UNFCCC to fully deliver on the goal of 100 billion United States dollars urgently and through to 2025 and emphasize the importance of transparency in the implementation of their pledges. We welcome the outcomes of COP-27 held in Sharm El-Sheikh, including the decision on funding arrangements for responding to loss and damage associated with the adverse effects of climate change, including a focus on addressing loss and damage.

63. We agree on the need to consolidate our positions in the discussions on climate change and formalize our Group of LLDCs under the United Nations Framework Convention on Climate Change (UNFCCC) process, in order to enhance our coordination, project a strong voice and work with relevant stakeholders to advance the interests of LLDCs in climate related issues, especially with regard to vulnerability, mitigation and adaptation to climate change and we call on the UN Climate Change Conference (COP 28) to be held in United Arab Emirates, in November 2023, to consider the impact of climate change on LLDCs in the deliberations and outcome.

64. We welcome the High-Level Meeting on the Mid-Term Review of the Sendai Framework for Disaster Risk Deduction 2015-2030 held on 18-19 May 2023 in New York; and recognize the urgency of implementing the Sendai Framework as an integral part of the 2030 Agenda, including the calls to action contained in the Political Declaration of the high-level meeting. We acknowledge the importance of integrating disaster risk reduction policies and strategies in the follow-up framework to the VPOA across crucial economic, environmental, development and climate aspects, in alignment with the Sendai Framework and the Political Declaration of the high-level meeting.

65. We acknowledge the need to urgently undertake necessary measures to improve resilience building in LLDCs, embed disaster risk reduction, scale up investments for structural economic transformation and strengthen

utilization of frontier technologies, and supporting traditional, indigenous and local knowledge and practices.

73. We underscore the need to enhance access to affordable and long-term financing for African LLDCs by strengthening cooperation with international financial institutions, regional development banks, and private sector investors.

74. We further reiterate the need for strengthening financial inclusion and capacity-building initiatives to improve financial literacy and promote entrepreneurship in African LLDCs.

75. We commit to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation, in line with the Addis Ababa Action Agenda, and the strengthening of international cooperation to combat illicit financial flows. We reiterate our call for enhanced global partnership and collaboration for adopting measures to prevent the transfer of stolen assets abroad, recover and return of stolen assets, and identify good practices for the return of stolen assets.

76. We are concerned that the external debt stock and debt service of many African LLDCs has drastically increased, resulting in 3 African LLDCs being in debt distress as of February 2023 and additional 4 African LLDCs at high risk of debt distress. We acknowledge the efforts of the global community to deal with the evolving debt crisis, including the G-20 Common Framework for Debt Treatment, but recognise its limitations in terms of scope and participation of creditors to bring about a lasting solution to the debt issues. We call upon development partners to take effective measures to reduce unsustainable debt levels owed by African LLDCs, including through debt cancellation and restructuring of existing high debt.

77. We call for improved debt management and responsible lending and borrowing, including by providing financing on more concessional terms by official creditors and ensuring that lending practices are fully in line with sustainable financing practices. We call on bilateral and multilateral development partners to use new instruments like debt swaps and state-contingent lending, taking into account risks beyond the control of LLDCs like conflicts, natural hazards and climate risks. We also call for technical assistance and capacity building for LLDCs to strengthen their debt management.

78. We call upon development partners, Multilateral Development Banks and the IMF to introduce new and comprehensive debt relief initiatives for African LLDCs. We also call upon creditors, both public and private, for additional effective measures to facilitate financing of our economic development, including access to grants and concessional resources for investment in critically needed infrastructure and development projects to avoid further indebtedness. We also call upon them to take into consideration the structural constraints and longer-term investment requirements of the LLDCs for the implementation of the SDGs.

79. We call for the reform of the international financial architecture to allow African countries, including LLDCs, to gain access to resources more easily and at a lower cost from multilateral and regional financial institutions.

80. We welcome the SDG Stimulus Fund launched by the UN Secretary-General, to address both short-term urgencies and the need for long-term sustainable development finance, through a

significant increase in financing for sustainable development, to the tune of at least US\$500 billion per year, to be delivered through a combination of concessional and non-concessional finance.

Vote of thanks

88. We express our profound gratitude to the people and the Government of the Republic of Botswana for organizing and hosting this meeting. We also express appreciation for the efforts undertaken by Botswana in its dual capacity as the Global Chair of the Group of LLDCs and Coordinator for trade and development issues of the Group of LLDCs in Geneva.

89. We express gratitude to the substantive and organizational support of the Office of the High Representative for LDCs, LLDCs and SIDS, in collaboration with the Economic Commission for Africa, and the Office of the Resident Coordinator in Botswana.

90. We note with appreciation the active participation and substantive contributions of the LLDCs, transit developing countries, development partners, UN system organizations, multilateral and regional development banks, other international and regional organizations, development partners, the private sector and other stakeholders.