



Advance Unedited Version

Seventy-fifth session

Item 21 (b) of the preliminary list*

Groups of countries in special situations: Follow-up to the Second United Nations Conference on landlocked developing countries

Implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024

Report of the Secretary-General

Summary

The present report is submitted pursuant to resolution 74/233, in which the General Assembly requested the Secretary-General to submit at its seventy-fifth session a progress report on the implementation of the Vienna Programme of Action (VPoA) for Landlocked Developing Countries (LLDCs) for the Decade 2014–2024. The report reviews progress in the implementation of the priorities of the VPoA, including actions by Member States and by the UN system and other organizations and identifies the major challenges. Progress so far achieved in the implementation of the VPoA still falls short of achieving the set targets. The report indicates that the emergence and spread of COVID-19 is having unprecedented impact on the development prospects of the LLDCs and the implementation of the priority areas of the VPoA. Countries need to safeguard past gains, and invest in even larger efforts in a post pandemic world. The report provides recommendations on how to accelerate implementation of the VPoA. The report notes that concerted efforts and support from the international community are required and stresses that multilateral organizations play a more important role than ever, underscoring the need for effective execution of the Roadmap for accelerated implementation of the VPoA.

I. Introduction

1. In December 2019, the comprehensive high-level midterm review of the Vienna Programme of Action for Landlocked developing countries for the Decade 2014-2024 was held and adopted a Political Declaration which demonstrated the strong commitment of the international community to accelerate the implementation of the VPoA. The midterm review recognized that the first five years of implementation had seen some important progress, but that overall, there were still major gaps and challenges that need to be addressed. The present report provides comprehensive information and analysis on recent progress in the implementation of the VPoA and of the Political Declaration. The report also highlights the impacts of the COVID-19 pandemic on LLDCs and priority areas of the VPoA.

II. Overview of socio-economic development in LLDCs and the impact of the COVID-19 pandemic

2. Up to the end of 2019, LLDCs had exhibited mixed progress in their socioeconomic development and SDGs, with some progress in some SDGs whilst in others progress stalled or even reversed. Growth in real GDP of LLDCs increased slightly from 4.6% in 2017 to 4.8% in 2018, before falling to an estimated 4.4% in 2019. Growth in real per capita GDP declined from 2.3% in 2018 to 1.4% in 2019.

3. Little progress has been made with regards to structural economic transformation. The share of manufacturing value added in GDP has remained at just over 10% in 2019. The LLDCs' share of global merchandise exports remained small at 1% in 2019 and highly concentrated in raw commodities.

4. The proportion of the population in LLDCs below the international poverty line of US\$1.90 per day declined from 31.1% in 2015 to 28.7% in 2018. The performance disaggregated by gender and age exhibited the same positive trend.

5. Modest progress continued into 2018 on a broad range of health-related indicators, from maternal, under-five and infant mortality, to HIV incidence, malaria, hepatitis B and vaccinations. The trend of gains on some indicators on gender equality and the empowerment of women and girls continued. For example, in 2020, 27.3% of seats in national parliaments in LLDCs were held by women, up from 26.5% in 2019.

6. The unemployment rate in LLDCs was 4.5% in 2019, disproportionately affecting youth and women. However, 25.7% of the employed population in LLDCs lives below the international poverty line of US\$1.90 per day. There were minor year-on-year declines on some education indicators such as gender parity of teachers, or proportion of trained teachers in education. Debt servicing as a percentage of exports of goods and services rose from 19.1 in 2014 to 27.8 in 2018.

7. In 2017, for LLDCs on average, all indicators of food insecurity continued to exhibit a deteriorating trend. Access to improved drinking water sources and sanitation facilities

remained low, and well below world averages, especially in rural areas. Carbon dioxide emissions from fuel combustion have continued to grow, although per GDP, these emissions have declined.

8. The high vulnerability of LLDCs to the negative impacts of climate change, especially drought, desertification, land degradation and the melting of glaciers, remains of serious concern, as evidenced by several severe climate-related events in the past year, including severe floods associated with cyclone Idai experienced in Zimbabwe and Malawi and devastating floods in Nepal. Increased and expedited resources and support are needed to implement national adaptation plans. Land covered by forests has declined steadily from 17.2% in 2015 to 16.8% in 2020.

9. Over the last few months, the COVID-19 pandemic has negatively impacted the development prospects of the LLDCs, affecting their ability to achieve the goals of the VPoA and the 2030 Agenda for Sustainable Development. Confirmed cases of COVID-19 and number of deaths in LLDCs have risen rapidly since March 2020.

10. The increase in cases of COVID-19 has resulted in increased demand for health care, yet the health systems of LLDCs are weaker than those elsewhere in the world, with lower ratios of health professionals and hospital beds per capita. LLDCs are also critically dependent on imported medicine, medical equipment, and pharmaceutical products.

11. Most LLDCs introduced nationwide or partial lockdowns, with a broad range of measures. The effects of the pandemic and the measures taken to mitigate its impact are likely to have significant setbacks in 2020 on progress made on numerous SDG indicators due to the impacts on GDP, international trade, investment, external debt, fiscal balance, lower business activity and earnings, students staying out of schools, fall in commodity prices, and trade flows. Traditional service sectors such as tourism, retail, hospitality and civil aviation and some labor-intensive sectors have been especially affected, resulting in increased layoffs and unemployment. Small and medium-sized enterprises, and the informal sector, have been particularly vulnerable.

12. Global output is projected to decline sharply. Projections in the UN World Economic Situation and Prospects mid-2020 indicate that LLDC economies will face at least 0.1% contraction in 2020. There are already indications in several LLDCs that investments intended for sustainable development have been diverted to address the impact of COVID-19. Given the recent collapse in commodity prices, in particular oil prices which have fallen to lowest level in nearly two decades, the fiscal outlook of commodity exporting LLDCs is bleak, with those LLDCs with high levels of external debt particularly at risk.

13. The 2020 Global Report on Food Crises indicates that 16 LLDCs are among the 50 countries around the world experiencing food crises. The COVID-19 pandemic further exacerbates the food insecurity situation in LLDCs as most of them are net food importers. They face longer shipment time and higher transportation cost on imports, which worsened amid disruptions in global supply chains and increased price of food imports.

14. Effective social protection schemes and policies, along with government spending on key services, are crucial to safeguarding the poor and vulnerable during crisis. However, in many LLDCs effective social protection systems remain limited in coverage and will need significant upgrading to respond to the COVID-19 pandemic. Only 6.4% of the unemployed in LLDCs were covered by social protection systems in 2016, compared with the global average of 22%.

15. The following sections highlight recent progress made and the impacts and implications of the COVID-19 pandemic on the priority areas of the VPoA.

III. Status of implementation of the priorities of the VPoA

Priority 1: Fundamental transit policy issues

16. The remaining two of the 26 LLDCs that are WTO Members ratified the WTO Trade Facilitation Agreement in 2019. Three more transit countries that are WTO members also ratified the WTO TFA. One LLDC and 2 transit countries ratified the WCO Revised Kyoto Convention. Further progress was made on TIR digitalization that will help the eTIR international system to interoperate with national ICT customs systems, and private sector systems.

17. LLDCs and transit countries have continued to make efforts to implement regional, and sub-regional initiatives to support transit. UNECE member States are in a process to agree on Unified Railway Law through which operators will be able to carry out their activity within a single legal regime along the entire East-West axis connecting Europe to Asia.

18. With regard to VPoA specific objectives there is evidence that some transport corridors used by LLDCs in Africa, Asia and Latin America, including CAREC corridors in Asia (Central, Trans Kalahari Corridors) and parts of Northern Corridor in Africa, and Santa Cruz-Tambo Quemado-Arica in Latin America had achieved the VPoA goal of reducing travel time along corridors with the aim of allowing transit cargo to move 300-400 kilometres every 24 hours by the time the midterm review of the VPoA was held in December 2019. However, other corridors continue to fall short of the goal or have no available data. With respect to the specific objective of significantly reducing the time spent at land borders data from World Bank Doing Business reports for 2020 and 2018 show an improvement in border compliance time to export and import in LLDCs.

19. The onset of the COVID-19 pandemic could lead to significant reversals in the gains made in improving transit for LLDCs. The imposition of border restrictions by neighbouring transit countries in their efforts to combat the spread of the virus greatly impacts the movement of goods and services to LLDCs. Health measures such as mandatory testing for truck-drivers imposed by some countries slowed transit trade. Against this background, there is a need to ensure that legitimate measures to ensure the health and safety of customs and border staff and local populations are least disruptive to transit trade.

Priority 2: Infrastructure development and maintenance

20. Some LLDCs have made progress in expanding their road and rail networks. At the Midterm Review of the VPoA, representatives of LLDCs shared transport infrastructure projects that were under construction, completed or nearing completion, including the construction of the Murtinho bridge which will allow East-West connection from Brazil through Paraguay to the Pacific; paving of some sections of the Bi-oceanic Corridor between Brazil-Paraguay-Argentina-Chile; the completion of the Qazvin-Rasht railway line linking Azerbaijan and Russian Federation; the railway link Lao People's Democratic Republic with China (Boten-Vientiane) which is under construction; the Kazungula Bridge between Botswana and Zambia; and the joint railway project Dar es Salaam-Isaka-Kigali between Rwanda and Tanzania along the Central Corridor whose studies were completed, and is now in resource mobilization phase.

21. Despite the progress, more needs to be done to achieve adequate infrastructure. Key challenges to road and railway infrastructure development include missing links, operational limitations and limited funding.

22. Rivers and waterways provide the primary routes for Paraguay and Bolivia, carrying over 70% of exports and imports. Investments in waterways are critical and there is need to promote common regional policies which can address resilience and sustainability.

23. The global share of LLDCs in freight transport by air decreased from 1.2% in 2017 to 1% in 2018. Some LLDCs are undertaking construction and/or modernization projects of their airports including for example Rwanda, Zambia, Mongolia, Nepal, Bolivia, Paraguay, and Ethiopia. The African continent continues to make progress to implement the Single African Air Transport Market. Despite the efforts made by LLDCs to advance their aviation sector, major challenges include inadequate infrastructure, operational limitations and limited funding.

24. The transport sector has experienced unprecedented impact from containment measures, travel restrictions, and border closures due to the COVID-19 pandemic. The air transport industry has been hit hardest as it is forecasted that airlines will have fewer international air travelers in 2020 and the international seat capacity could drop by almost three-quarters, resulting in losses. Although Governments have gone to great lengths to try and maintain uninterrupted flow of cross-border freight, most regions have experienced a decrease in freight transport. In the UNECE region rail freight transport was largely exempted from restriction measures but operators reported a reduction of freight volumes of 20-50% due to the economic slowdown. A decrease in road freight was reported in all regions as there was increased incidence of empty running and decline in demand. It has also been reported that some countries are diverting investment meant for transport infrastructure development towards the fight against COVID-19.

25. Regarding energy, the average proportion of population with access to electricity in LLDCs increased from 56.3% in 2017 to 58.7% in 2018, however LLDCs still lag behind the world average of 89.6% and there is still a wide rural-urban gap. The progress on access

to clean cooking fuels and technologies is slow as it was estimated to be 27% in 2018, much lower than the world average of 63%. The share of renewable energy in total energy consumption in LLDCs was 44% in 2017, much higher than world average of 17.3%. The COVID-19 pandemic heightens the need for reliable and affordable electricity at health facilities, for faster clearing processes at the borders and for accessing digital services, if available. The renewable energy sector provides an opportune window for use of stimulus packages to sustainably meet energy needs and job creation.

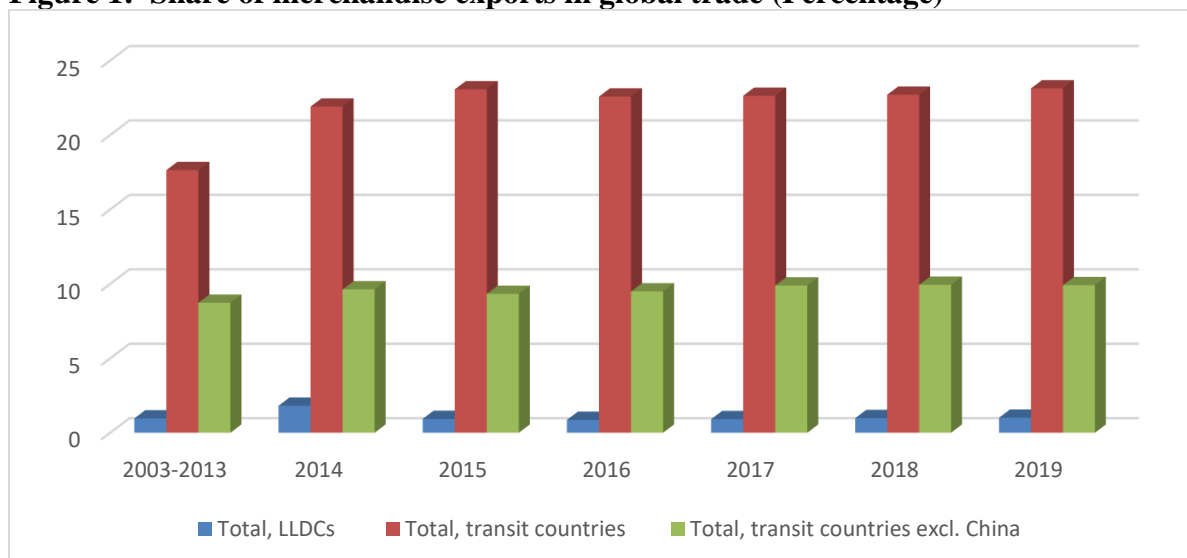
26. On ICT, the proportion of the population covered by at least a 2G mobile network in LLDCs increased from 88.2% in 2017 to 92.3% in 2018. The proportion of individuals using internet in LLDCs was estimated to be 25.3% in 2018 which is way below the world average of 51.4%. The LLDCs continue to face high costs for broadband and more efforts are required to lower prices. The COVID-19 pandemic spotlighted that digital connectivity can enable the delivery of essential services while complying to social distancing protocols, including through remote learning, telemedicine, e-commerce, meeting and working and accessing government services. It also displays the importance of digitalization of transit and customs procedures. Investments need to be stepped up to reduce the digital divide.

Priority 3: International trade and trade facilitation

27. Geographical challenges, remoteness from international markets and the resulting high trade costs contribute to the marginalization of LLDCs from international trade. These challenges are further exacerbated by their heavy dependence on exports of primary commodities.

28. International trade is critically important to LLDCs' economies as demonstrated by their average ratio of trade to GDP of 66% in 2018. Despite this, their share of global merchandise exports remains relatively low and decreased since 2014. The share of LLDCs in global merchandise exports increased slightly from 0.99% in 2018 to 1.01 % in 2019. Thus achieving the VPoA specific objective of substantially increasing their exports remains a challenge. Disparities also exist within the group as just four LLDCs account for 56% of the group's total merchandise exports in 2019, while 19 such countries account for no more than 2% each.

Figure 1: Share of merchandise exports in global trade (Percentage)



Source: UNCTADstat.

29. Merchandise exports from LLDCs remain undiversified and highly concentrated in raw commodities, with 26 of the LLDCs dependent on primary commodities for more than 60% of their exports. The product concentration index value of the LLDCs declined between 2014 and 2018, meaning that their exports became slightly more diversified. However, LLDCs exports are still about four times more concentrated than world exports. Diversification is critical if LLDCs want to move up the value chains and reduce their vulnerability to the COVID-19 pandemic and other external shocks.

30. LLDCs' participation in global exports of commercial services also remains negligible, estimated at 0.7% in 2018. LLDCs are net services importers, with a negative services balance of \$26 billion in 2018.

31. As a group LLDCs have a high trade deficit, showing that exports are insufficient to finance imports. The trade deficit decreased to US\$33.2 billion in 2018 (4.3% of GDP) from US\$48.7 billion in 2016 (7.2% of GDP) but remains high and is a source of concern. The impact of the COVID-19 pandemic can further worsen this situation. Falling prices of commodities undermine what has been the primary driver of exports and economic growth in most LLDCs.

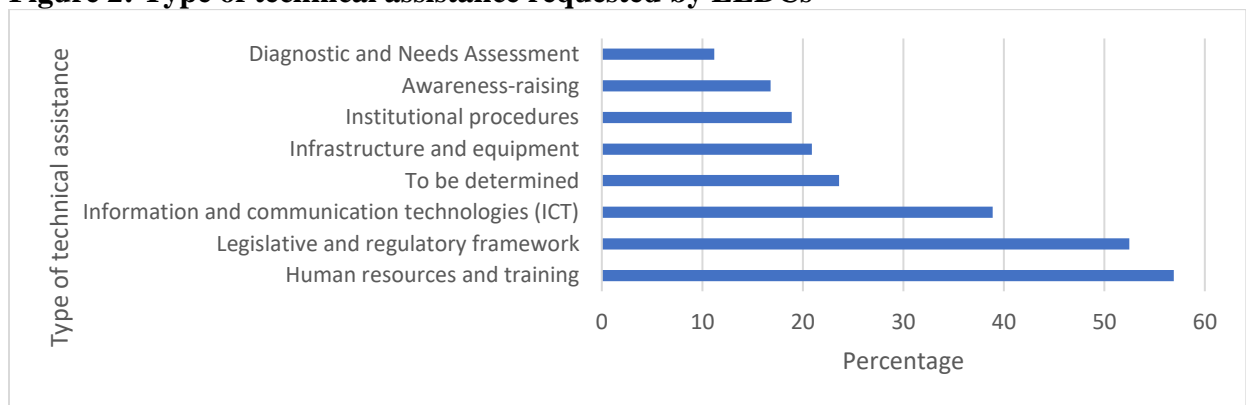
32. It remains of utmost importance to address high trade costs faced by LLDCs in order to achieve greater integration of LLDCs into world trade and value chains as well as leverage the growing e-commerce. The LLDCs and transit countries continue to make efforts to implement trade facilitation initiatives including through further simplification and harmonization of customs, border and transit procedures, and of formalities and trade facilitation measures.

33. The implementation of the World Trade Organization Trade Facilitation Agreement is fundamental; however, the implementation remains low in both LLDCs and transit

developing countries. It is estimated that LLDCs have already implemented 34.7% of all notifiable measures, while 24.3% of those measures have been designated to be implemented with additional time, and 40.3% of the measures have been designated as needing technical assistance for implementation. Implementation differs across regions as European and Latin American LLDCs have already implemented 68.6% and 63% of the measures respectively, whilst African and Asian LLDCs have implemented 29.4% and 24.9% respectively. Transit developing countries are implementing 51% of the obligations.

34. Trade Facilitation Agreement mandates developing country members to notify their technical assistance and capacity building needs. LLDCs have identified human resources and training, legislative and regulatory frameworks, and information and communication technologies as their primary concerns, in order of importance as shown in figure 2.

Figure 2: Type of technical assistance requested by LLDCs



Source: WTO Trade Facilitation Agreement database

35. Due to LLDCs’ reliance on transit countries for international trade, restrictive measures introduced at the borders to curb the spread of COVID-19 have greatly affected importation and exportation of goods by LLDCs including for essential goods such as medical supplies and food products.

Priority 4: Regional integration and cooperation

36. Interest in regional integration and cooperation among LLDCs and their neighbors, especially in the field of trade has been growing. On average an LLDC is party to four regional trade agreements with the number of agreements per country ranging from one to eleven. Many of these agreements cover goods and only a few cover services.

37. The African Continental Free Trade Area (AfCFTA) entered into force on 30 May 2019 and as of May 2020, 54 of the 55 African Union Member States had signed the AfCFTA, including all LLDCs. The first phase of negotiations liberalizes trade in goods and services, while the second phase creates common rules on competition policy, intellectual property rights, investment and a third phase addresses digital trade and e-commerce.

38. In Asia, the countries participating in the UN SPECA programme in November 2019 launched the Ashgabat Initiative on the reduction of barriers to trade and transport in the region. The initiative aims to reduce non-tariff barriers to trade, address physical and non-physical barriers to transport, and fostering sustainable transport and trade facilitation.

39. In 2019, representatives of seven countries (Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) joined forces to strengthen cooperation in inland transport infrastructure development, facilitation of border-crossing procedures, railway and intermodal transport development and improvement of road safety. The tri-national cooperation between Bhutan, Bangladesh and India recently launched the inland waterways along the Brahmaputra river that will ease trade and transit between Bangladesh and Bhutan. This is expected to reduce the transportation cost of export goods by almost one third and decrease the time by half.

40. In Latin America, Bolivia and Paraguay continue to formalize agreements in sectors such as transport, energy and mining and these include among others, an agreement to create a binational cabinet to address issues of cooperation, such as strengthening the Paraguay-Paraná Waterway, the construction of gas pipelines, and other agricultural-related matters.

41. Regional integration and cooperation offer opportunity for countries to jointly meet the challenges of COVID-19. The South Asian Association for Regional Cooperation established a COVID-19 emergency fund, made up of voluntary contributions from members. ASEAN members connected with their Chinese, Japanese, and South Korean counterparts under the ASEAN Plus Three framework to exchange information on containment and mitigation measures and identify needs for technical support and medical supplies. An ASEAN-European Union ministerial video conference was held in March 2020 to discuss both the immediate and long-term measures to combat the virus, including the importance to boost trade and investment when the pandemic subsides.

42. The COVID-19 pandemic, however, may have impacted regional integration in some cases as global production decreased and as many countries closed borders to curb the spread of the virus.

Priority 5: Structural economic transformation

43. The contribution of various sectors to GDP has on average remained more or less stable in the LLDCs since 2010, suggesting that little progress has been made with regards to structural economic transformation. Between 2016 and 2019, share of manufacturing value added in GDP in the LLDCs remained between 10.2% and 10.4%. Value added per worker in the manufacturing sector in LLDCs was just \$198 in 2019, compared to the global average of \$1,798. The share of agriculture continued to decline, reaching 14.7% in 2018, before rising to 16.2% in 2019.

44. The share of services value added in GDP in LLDCs declined from 47.3% in 2017 to 46.6% in 2019. Trade in services accounted, on average, for 14% of LLDCs' GDP in 2018.

Travel-related expenditure and transport are the largest export service sectors for LLDCs. However, LLDCs' participation in global exports of commercial services is still negligible. The LLDCs where international tourism receipts account for a large proportion of their exports will be hardest hit by the plummeting tourism as a result of COVID-19.

45. One of the reasons for the lack of structural transformation in LLDCs are their weak levels of productive capacities. Overall score of LLDCs in UNCTAD's Productive Capacities Index¹ is 26.1, which is among the lowest compared to developed countries (41.7) and other developing countries (33.2) and is slightly lower than transit countries (26.7). While there is improvement across the main indicators, the progress made is not enough to foster structural economic transformation in LLDCs.

46. In the world of increasing digitalization, STI is important in driving productivity growth and potentially helping LLDCs to move up the value chains. Research and development expenditure as percentage of GDP in 2017 amounted to just 0.21%, compared to global average of 1.72%. Pursuing new technologies, especially digital finance and other digital services, should be seen as an opportunity for the LLDCs to pursue and where progress could be accelerated as a result of the COVID-19 crisis.

47. Some LLDCs have made progress in providing an enabling environment for private sector development. In the 2020 edition of the World Bank's Doing Business, six LLDCs ranked in the top 50 countries in the overall ease of doing business rankings. Nine LLDCs ranked in the top 50 in the category of starting a business. At the same time, almost third of the LLDCs ranked in the bottom quarter in overall ease of doing business.

48. The challenges to doing business will be further compounded by the economic impacts of the lockdown measures associated with COVID-19 and the global economic slowdown. The private sector in LLDCs, comprised mainly by MSMEs, has been particularly hit hard, both from supply and demand side. Access to credit remains one of the biggest challenges for MSMEs in LLDCs. In addition, the smallest MSMEs are often run by women, operate in the informal economy and lack social protection and are therefore most likely to suffer from the impacts of the economic downturn. A widespread collapse of MSMEs could have a strong impact on the LLDCs' economies including contraction of their incomes as well as falling fiscal revenues. At the same time, new opportunities and business models are emerging in the wake of COVID-19 that LLDCs could take advantage of.

Priority 6: Means of implementation

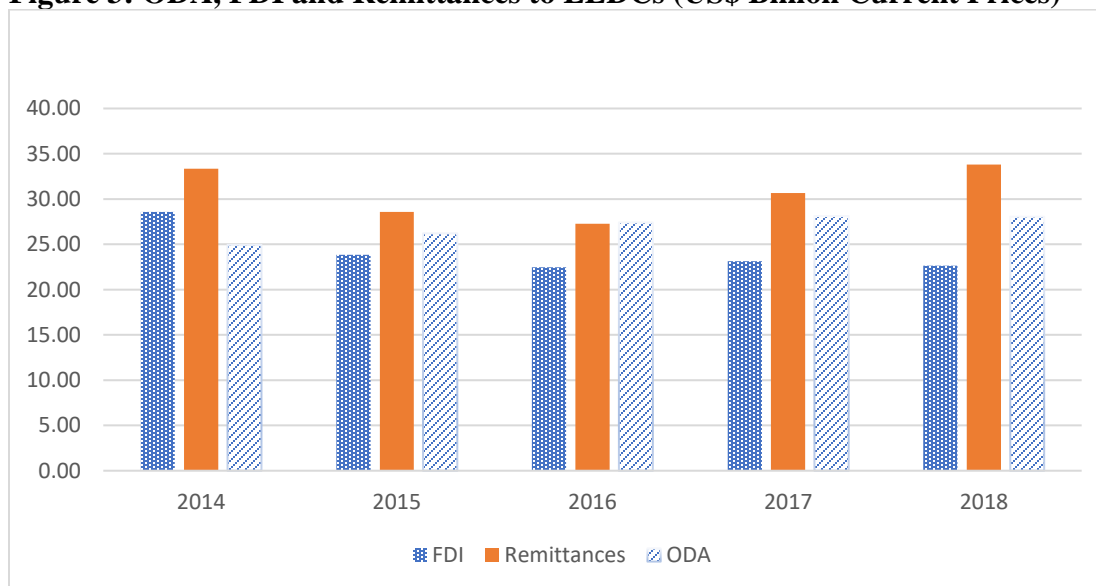
49. In 2018, ODA to LLDCs decreased from \$29.2 billion in 2017 to \$28 billion, in 2018 constant prices, accounting for 16.9% of total ODA to developing countries. As a percentage of the gross national income of LLDCs, ODA decreased from 3.91% in 2017 to 3.68% in 2018. ODA flows continue to be concentrated in a few LLDCs. In 2018, 5 countries received almost half of ODA flows.

¹ The index ranges from 0 to 100.

50. Despite the recent fall, ODA remains a critical source of external development finance and an important means for LLDCs to support national responses to the COVID-19 crisis. ODA is important for these countries to continue and enhance investments in health, education and social safety nets as well as humanitarian needs. In 2018, Aid-for-trade disbursements to LLDCs amounted to \$7.6 billion, up slightly from 2017. The disbursement accounted for 17% of the \$45.4 billion total for the year.

51. FDI flows to LLDCs declined between 2018 and 2019, by 1% to US\$ 22 billion. The share of LLDCs in global FDI inflows was 1.4% in 2019. FDI inflows to LLDCs are also concentrated with the top 7 LLDC recipients accounting for 70% of inflows in 2019. Furthermore, the majority of FDI flows are to the extractive sectors. UNCTAD has predicted a fall in global FDI flows between 30% and 40% in 2020 due to the impact of the COVID-19.

Figure 3: ODA, FDI and Remittances to LLDCs (US\$ Billion Current Prices)



Data Source: UNCTAD, World Bank Development Indicators, OECD.

52. Remittance flows to LLDCs increased by 11.4% between 2017 and 2019 to US\$34.1 billion. As with ODA and FDI, Remittance flows are also concentrated in a few LLDCs, with five countries accounting for more than 55% of total inflows in 2019. It is important to note that remittances are mainly used to address household consumption rather than development finance needs. Remittances are predicted to experience a significant fall in 2020 due to COVID-19.

53. 13 LLDCs are already classified as Highly Indebted Poor Countries with some having external debt stock higher than their gross national income. For many LLDCs their external debt is predominantly private non-guaranteed debt, which increased from 14% in 2000 to 47% in 2018. Total debt servicing averaged 20% of the export revenue of LLDCs in 2018. Given that so much of their debt is owed to private creditors, many LLDCs may find it difficult to receive moratoriums on debt servicing or meaningful debt relief, therefore,

substantial relief on the public and publicly guaranteed portion of their debt will remain critical.

IV. Follow-up and review

54. The Secretary-General launched a US \$2 billion global humanitarian response plan to fund the fight against COVID-19 in the world's poorest countries. Armenia, Bhutan, Eswatini, Kyrgyzstan, Laos, Lesotho, Malawi, Moldova, Mongolia, Nepal, Tajikistan and Uzbekistan are benefitting from the fund which strengthens their response to and recovery from the pandemic in humanitarian-development realm.

55. UN-OHRLLS continued to coordinate activities of the UN system to ensure the effective implementation of the VPoA, including by coordinating the preparatory process for the high-level comprehensive midterm review on the implementation of the VPoA. UN-OHRLLS with partners organized remaining thematic pre-conference meetings, including an ambassadorial retreat on the outcome of the midterm review, expert group meeting on transit cooperation and trade facilitation, meeting on best practices in corridor development and management and side events during major conferences on trade facilitation and sustainable energy. UN-OHRLLS supported the organization of the midterm review itself and coordinated and co-organized with partners a total of seven side events during the midterm review. The meetings raised awareness of the challenges and needs of the LLDCs and supported exchange of best practices and peer learning. UN-OHRLLS also organized IACG meetings and initiated the process of development of terms of reference for the IACG to enhance coherence of planning and activities on implementation of the VPoA.

56. Over the review period ECA provided technical assistance to LLDCs to leverage the provisions of the AfCFTA by supporting the preparation of national AfCFTA strategies and through policy advocacy and consensus building activities. UNECA also provided capacity-building activities including on trade facilitation, energy modelling, the Luxembourg Rail Protocol, WTO accession and on financing the SDGs. The 2019 Conference of African Ministers of Finance, Planning and Economic Development adopted a resolution calling for accelerated implementation of the VPoA in the region.

57. UNECE organized several meetings, events and capacity-building activities on topics such as digitalization of transit processes, regional transport connectivity and trade facilitation. It is developing a set of Sustainable Inland Transport Connectivity Indicators in selected landlocked and transit countries. UNECE also created an online "Observatory on Border Crossings Status due to COVID-19".

58. UNECLAC developed recommendations for accelerating the implementation of the VPoA in the region, focusing on greater transport facilitation; strengthening productive transformation; increasing efficiency, productivity, resilience and sustainability of infrastructure and logistics services and regionally coordinated logistics and mobility policies.

59. ESCAP continued to support LLDCs in the region in enhancing transport connectivity and facilitate cross-border trade and transport operations and is supporting

initiatives to commercialize railway corridors involving LLDCs as well as on building capacity on the development of cross-border energy connectivity. ESCAP also supported strengthening of national statistical systems in LLDCs and provided capacity-building support to accelerate actions to achieve gender equality and empowerment of women and girls. In 2019, ESCAP published a report on Asia's LLDCs: Structural Transformation, Poverty Reduction and Financing for Development.

60. UNCTAD has continued to provide a range of technical assistance and capacity-building activities to support LLDCs, including on implementation of the WTO TFA, supporting the negotiating process for the AfCFTA, conducting e-commerce readiness assessments, export diversification and Investment Policy reviews. UNCTAD has developed a productive capacities index to benchmark and assess the levels of productive capacities in all LLDCs, to be launched in 2020.

61. UNIDO supported LLDCs in implementation of the VPoA with its technical, statistical and advisory expertise, as well as its efforts to create synergies and partnerships capable of mobilizing necessary funds aimed at environment safeguarding, energy development, sustained economic growth, agri-business industries and inclusive and sustainable industrial development, including youth and women's economic empowerment. UNIDO is operationalizing the Programme for Country Partnership in four LLDCs.

62. DESA works to ensure that the concerns of developing countries, including LLDCs, receive particular focus with regard to sustainable transport in the context of the upcoming Second Global Sustainable Transport Conference. DESA also prepared a policy brief on COVID-19 and the LLDCs.

63. UNEP has been strengthening countries' adaptation capacities and resilience to climate-related shocks, providing targeted financial and technical support towards preparing new or improved Technology Needs Assessments for prioritized technologies that reduce greenhouse gas emissions and support adaptation to climate change and supporting transition towards an inclusive green economy in Africa, through the Switch Africa Green programme.

64. UNDRR supported the establishment of the Coalition for Disaster-Resilient Infrastructure, which brings together developed and developing countries to build synergies to reach the goal of disaster-resilient infrastructure. Twenty-four LLDCs are reporting on the Sendai Framework target through the Sendai Framework Monitor developed by UNDRR.

65. ITC continued to support LLDCs in addressing trade-related constraints by providing tailor-made innovative solutions through the delivery of country-specific and regional projects including on building productive capacity, reducing commodity dependence, strengthening trade, improving access to finance, integrating women and youth into value chains, and growing green trade, while strongly focusing on the private sector, in particular MSMEs.

66. UNFCCC contributed to capacity building of least developed LLDCs to implement the Convention, its Kyoto Protocol and the Paris Agreement in areas such as national climate change secretariats, negotiating skills, adaptation technology development and transfer, weather and climate information and supported preparation and implementation of NAPs and NDCs.

67. UNCCD supported LLDCs in setting their Land Degradation Neutrality targets and in the mobilization of technical and financial support for the early stage development of transformative projects and programmes to implement national targets. As of May 2020, 25 LLDCs had successfully set their land degradation neutrality targets with UNCCD's support and 2 are currently in the process.

68. ITU provides capacity-building and technical assistance, training and advisory services to LLDCs on ICT development and connectivity, in particular development of sustainable broadband and of national broadband policies, affordable access to ICT services and their applications in health, education, industry and environment sectors. In 2019, ITU and OHRLLS jointly published a report on the economic impact of broadband in LDCs, LLDCs and SIDS.

69. FAO supported LLDCs in strengthening their structural transformation and resilience by promoting and supporting agriculture and food systems innovation, enhancement of agricultural productivity and production, sustainable crop management and food production, climate-sensitive and climate smart agriculture and food systems, agricultural mechanization, supporting small scale farmers, helping countries access GEF and GCF financing, and building or strengthening agriculture statistical systems. FAO also supports LLDCs in strengthening capacities for international trade and trade facilitation in the areas of agricultural products and agriculture systems value chains.

70. ICAO developed guidance for Member States on establishment of National Aviation Planning Framework which helps position aviation within their national development planning instruments. ICAO has provided support and guidance to States and civil aviation industry with regards to the unprecedented impact on air transport amid the COVID-19 crisis, including by enabling expedited air cargo movements and coordinated delivery of humanitarian goods through the United Nations Humanitarian Air Service.

71. UNDP is supporting LLDCs on the socioeconomic response to COVID-19.

72. UNOSSC supported LLDCs through tailor-made services, demand-driven capacity building and advocacy for South-South Cooperation and facilitating South-South Cooperation through the established network of national focal points and its expansion, ensuring increased access for LLDCs to climate funds and a digital knowledge sharing and partnership-brokering platform.

73. UN WTO supported LLDCs in development of National Tourism strategy plans, assessment and development of tourism satellite accounts and hotel classification, amongst others.

74. WTO through the Trade Facilitation Agreement Facility supported LLDCs on TFA implementation including through Geneva-based retreat and workshop, drop-in sessions for one-on-one assistance and national workshop for Central African Republic. The Standards and Trade Development Facility has implemented activities to help exporters in LLDCs meet strict sanitary and phytosanitary requirements.

75. The International Think Tank for LLDCs organized several conferences and workshops around topics of transit transport corridors, ICT and transport infrastructure development, trade logistics, regional cooperation, technology and innovation, structural economic transformation and continued to contribute to strengthening the analytical capacity of LLDCs by disseminating the findings from their research on economic diversification of LLDCs and the prospects of the Belt and Road Initiative for trade and competitiveness of LLDCs.

76. WCO continued to deliver capacity building, technical assistance and training to assist customs administrations, including those in LLDCs, in a broad range of customs-related areas. WCO compiled a Compendium of best practices in the area of transit aimed to reduce trade costs and expedite international trade.

77. In 2019 the OSCE organized capacity-building activities and targeted trainings on inland transport security, connectivity and sustainability; implementation of trade facilitation reforms; transit transport development and facilitation; customs and border regulations in selected LLDCs in Europe and Asia.

78. The CFC continues to invest in projects that promote structural economic transformation of commodity sectors in LLDCs. In 2019, the CFC considered 34 project proposals from LLDCs, four of which have been taken for consideration of CFC financing in the amount of US\$ 2.7 million. The CFC is also supporting a few selected impact investment funds targeting the development of commodities sectors, including in LLDCs.

79. IRENA has provided advice and capacity building to LLDCs on policy, finance and technology-related aspects of renewable energy. To date, IRENA supported the development of the Renewables Readiness Assessment tool, which helped identify existing policy and regulatory limitations and offered recommendations to maximize countries' full and unique resource potential, in 9 LLDCs, while 2 are underway and 1 is being planned.

80. The Mekong River Commission undertook analytical assessments and projects to enhance navigation and support harmonization and implementation of common standards, rules and regulations for navigation and safety along the Greater Mekong River by its member countries.

81. IRU continued to raise awareness and undertake efforts to build the capacity of LLDCs and transit countries to implement the TIR Convention and supports the process of digitalization of the TIR system (eTIR).

82. The Northern Corridor Transit and Transport Coordination Authority continued to promote co-operative transport policies and foster an efficient and cost-effective transit transport system within the Corridor, which includes four LLDCs.

83. The EU supports trade facilitation in LLDCs through its Aid for Trade Strategy; encourages regional integration within LLDCs; provides capacity-building for mobilizing and making better use of all means of implementation; promotes renewable energy, clean technologies and decarbonization of energy-intensive industries; helps LLDCs to devise ambitious NDCs and is also working with the UN in helping interested countries develop Integrated National Financing Frameworks which is currently underway in 4 LLDCs. The EU and its Member States, as Team Europe, have mobilized more than EUR 23 billion to help the most vulnerable and affected partner countries, including LLDCs, to help address the health, economic and social impacts of COVID-19.

84. GCF supports countries' efforts to reduce their greenhouse gas emissions and enhance their ability to respond to climate change. Through the Readiness and Preparatory Support Programme, GCF supported LLDCs in strengthening their institutional capacities, governance mechanisms, policy, planning and programming frameworks towards a transformational long-term climate action agenda and formulation of NAPs. Since 2015, GCF has approved 45 projects that provide \$1.3 billion of GCF financing and \$7.9 billion of total financing to 25 LLDCs.

85. The AIIB has since 2016 approved 8 projects with amount of US\$ 1.05 billion in 6 LLDCs, which together account for 8% of the total approved amount. This includes \$67.5 million in the transport sector and \$909 million in the energy sector.

86. The IMF approved debt service relief to 10 LLDCs to help address the impact of the COVID-19 pandemic. The IMF Executive Board also approved requests for emergency assistance for Afghanistan, Ethiopia, Kyrgyzstan and Tajikistan.

87. The World Bank Group is helping LLDCs strengthen their pandemic response, increase disease surveillance, improve public health interventions, and help the private sector continue to operate and sustain jobs through different facilities including the dedicated COVID-19 Fast-Track Facility; Health Emergency Preparedness and Response Multi-Donor Fund; and the Pandemic Emergency Financing Facility.

88. AfDB is supporting projects that promote regional integration, including development of infrastructure, regional value chains and regional power pools. AfDB also provided capacity building and technical assistance on trade facilitation and transport for African LLDCs.

89. Inter-American Development Bank had active portfolio of 44 projects in Paraguay and 32 projects in Bolivia in areas such as transport, energy, water and sanitation, health, financial markets, urban development, science, environment, tourism and governance.

90. ADB approved 25 projects for \$3,285 million in loans and grants for LLDCs for COVID-19 response. ADB also plans to finance over the period of 2020–2022 23 investment projects in LLDCs for \$3,154 million to improve transport connectivity, 17 investment projects in energy sector for \$3,598 million, 8 investment projects for \$444 million to support development of agricultural sector.

V. Roadmap for Accelerated Implementation of the VPoA in the Remaining Five Years

91. At the request of the Chair and the Group of LLDCs, UN-OHRLLS in consultation with and inputs from the relevant UN system and other international and regional organizations, members of the Inter-Agency Consultative Group for LLDCs developed a Roadmap for the Accelerated Implementation of the VPoA in its remaining five years that contains a detailed mapping of concrete activities and deliverables by the UN system and other international and regional organizations. The key areas for actions included are transport infrastructure, transit, trade facilitation; energy; ICT and digital connectivity; structural transformation; cooperation between LLDCs and transit countries; means of implementation; climate change and environmental degradation; COVID-19; and coordination. The Roadmap will be a living document, evolving with the UN's support to LLDCs.

VI. Conclusions and recommendations

92. The Midterm Review of the VPoA revealed that while some tangible progress had been made in implementing the VPoA and towards some of the SDGs, there were still major gaps and challenges that need to be addressed. The COVID-19 crisis is having unprecedented development impact on the LLDCs and poses the risk of serious reversals in development gains that had been made in LLDCs.

93. Implementation of the VPoA and the Political Declaration of the Midterm Review in the remaining five years needs to be anchored in strong efforts to address the impact of COVID-19 and transformative recovery aimed at reducing risk to future crises and to ensure that LLDCs can make the necessary progress towards achieving the SDGs and respond to the ambition and the urgency of the Decade of Action. These efforts will require increased international cooperation and multilateralism.

94. UN agencies should aim to effectively implement the Roadmap for the Accelerated Implementation of the VPoA in order to protect development gains made and contribute to the transformative change needed in LLDCs.

95. The immediate priority of the international community, LLDCs and transit partners therefore has to be on addressing the health-related and socio-economic impact of the

pandemic and recovery. At the level of LLDCs, this means strengthening investments in domestic health systems, ensuring food security, and supporting the domestic economic sectors and populations most affected by the economic fallout of the pandemic and related lockdown measures. Achieving this will require significant additional resources, and international cooperation and technical assistance will be essential to help LLDCs. LLDCs require fiscal support to stimulate the economy and support enterprises, jobs and incomes, in the form of financial support, special credit lines, grants, tax and social contribution relief, wage subsidies and extension of social protection.

96. At the regional level, there is need to develop efficient transport systems which are resilient to crises. LLDCs and transit countries should aim to direct fiscal arrangements and stimulus packages to improve transport connectivity. Development partners, international financial institutions, UN system and other international and regional organizations, private sector, should support LLDCs and transit countries in these efforts.

97. The COVID-19 crisis has heightened the importance of digital technologies to increase access to health care, education, trade facilitation and e-commerce. The international community, regional organizations, and private sector, should support LLDCs to close the digital divide.

98. LLDCs and transit countries should work together to ensure smooth functioning at borders and in transit to facilitate the flow of essential goods. The use of border measures designed to tackle COVID-19 has to be transparent, targeted, proportionate, and consistent with WTO rules. There is need for expedited release and clearance of essential goods, and faster delivery of humanitarian goods and greater use of digital technologies that limit physical checks in transit, physical contact at borders and protect the health of workers, such as electronic exchange of information, single window facilities and paperless solutions. Development partners, the United Nations and other international and regional organizations are called upon to support LLDCs and transit countries with technical and financial support towards strengthening trade facilitation and digitalization efforts.

99. The COVID-19 pandemic has highlighted the need for LLDCs to strengthen their resilience to external shocks. There is need for enhanced support targeted at value addition and diversification of exports. Strengthened efforts are needed to focus on building productive capacities in LLDCs, including by building core infrastructure, identifying and supporting sectors with higher value-added and potential for export diversification, and strengthening entrepreneurship and innovation. The international community is called upon to support LLDCs to build their productive capacities and diversify their economies.

100. LLDCs are called on to foster an enabling environment for the private sector so as to increase domestic and foreign investment and engage in PPPs. LLDCs should strive to develop special economic zones as an effective strategy for attracting FDI to desired industrial sectors. The private sector should scale up investments in transformative activities in LLDCs such as renewable energy, agriculture and sectors that can bring about structural transformation. In addition, LLDCs need to strengthen sustainable energy

entrepreneurship and innovation, including the promotion of women entrepreneurs in all sectors of industrial production.

101. Multilateral and regional development banks are called upon to work more closely with the LLDCs to support them to make investments and catalyze private finance for addressing the gaps in LLDCs in areas such as transport infrastructure, renewable energy, ICT and digitalization, climate action.

102. Initiatives to support MSMEs have to be developed quickly for maximum effect and without imposing burdensome requirements for accessing finance. Providing enhanced finance and access to credit, especially for entrepreneurs and start-ups, ensuring links to formal production systems and firms, and employing ICTs and innovation in business operations may help in building the resilience of LLDCs' economies in the post-COVID-19 era. Enhanced technology transfer to LLDCs should be encouraged, including through FDI and South-South Cooperation.

103. Development partners are encouraged to increase ODA flows to LLDCs in the form of grants, and including through enhanced crisis response mechanisms to support LLDCs' response to the COVID-19 crisis. LLDCs should better leverage ODA to attract further finance from other sources, such as foreign direct investment, public-private sector partnerships and South-South Cooperation. In the spirit of solidarity and South-South Cooperation, countries of the South should strive to increase financial and technical assistance to LLDCs.

104. Creditors are encouraged to take bolder actions to support LLDCs with debt relief in order to free up liquidity and invest more in their health systems and economic recovery including through suspending debt repayments to international creditors, offering debt-to-health swaps channeling additional funds to health systems and financing regional development projects in exchange for debt relief should also be considered.

105. Development partners, the United Nations system and other international and regional organizations are urged to support LLDCs' efforts to address climate change, desertification, land degradation, biodiversity loss, drought and receding glaciers and related disasters including through development and implementation of national long-term climate change strategies and national adaptation plans and to develop tools and capacities to strengthen integrated water resources management, disaster risk prevention, preparedness and response, and early warning and early action systems. The international community is called upon to assist LLDCs in accessing the required funding.

106. LLDCs should aim to build enhanced genuine, effective and durable multi-stakeholder partnerships at all levels – national, sub-regional, regional and international – that would be key to accelerating implementation of the VPoA and for building economic resilience and diversification in the face of COVID-19 crises.

107. The United Nations system and other international and regional organizations are urged to support LLDCs' efforts to capture high-quality, reliable and timely data to monitor progress against the specific objectives of the VPoA.

Statistical Annex

Table 1

	GDP (constant 2015 US \$ Billions)		Real GDP Growth (percentage)		Official Development Assistance (Millions of US\$, 2018 constant prices)		FDI inflows (US\$ millions)	
	2017	2018	2018	2019 ^a	2017	2018	2018	2019
Afghanistan	22.3	22.3	0.2	2.4	3,956	3,792	139	39
Armenia	11.4	12.0	5.2	7.6	271	141	254	255
Azerbaijan	51.3	52.0	1.4	2.2	126	87	1,403	1,504
Bhutan	2.3	2.4	3.0	5.2	123	106	6	7
Bolivia	35.9	37.4	4.2	3.0	992	730	255	-160
Botswana	15.5	16.2	4.5	3.5	105	86	229	261
Burkina Faso	13.3	14.2	6.8	5.9	932	1114	480	208
Burundi	3.0	3.0	0.1	1.2	456	451	1	1
Central African Republic	1.8	1.9	3.9	3.8	535	656	18	26
Chad	11.1	11.3	1.5	2.9	678	875	662	567
Eswatini	4.2	4.3	2.4	0.7	153	120	25	130
Ethiopia	81.4	88.0	8.0	8.5	4,292	4,941	3,310	2,516
Kazakhstan	194.0	201.9	4.1	4.2	60	80	3,817	3,118
Kyrgyzstan	7.3	7.6	3.5	4.5	478	416	47	209
Lao PDR	16.5	17.5	6.2	5.0	497	568	1,320	557
Lesotho	2.5	2.6	1.2	1.0	150	154	39	118
Malawi	6.9	7.2	4.0	4.3	1,579	1,275	102	98
Mali	15.2	16.2	6.7	5.1	1,418	1,500	366	494
Mongolia	12.6	13.5	7.0	4.9	781	333	2,174	2,443
Nepal	23.9	25.6	7.0	6.5	1,320	1,452	161	185
Niger	10.7	11.5	7.0	5.7	1,281	1,197	460	593
North Macedonia	10.4	10.7	2.7	3.6	155	170	737	365

Paraguay	39.6	41.1	3.7	0.0	150	164	454	478
Republic of Moldova	8.5	8.7	2.8	4.6	254	230	228	589
Rwanda	9.3	10.1	8.6	9.0	1,284	1,119	398	420
South Sudan	13.2	13.0	-1.1	5.8	2,268	1,577	191	18
Tajikistan	9.0	9.6	7.1	7.5	340	399	317	213
Turkmenistan	40.8	43.3	6.2	6.3	29	20	1,985	2,166
Uganda	27.0	29.4	8.9	5.5	2,088	1,943	1,337	1,266
Uzbekistan	90.7	95.4	5.1	5.5	658	558	412	2,286
Zambia	22.4	23.3	4.1	1.5	1,076	996	569	753
Zimbabwe	21.1	22.1	4.8	-5.6	754	794	745	280
Total/average, LLDCs	835.1	875.2	4.8	4.4	29,239	28,043	22,641	22,002

Source: UN DESA, OECD, UNCTAD

^a Estimated

Table 2

	Share of Merchandise Exports in Global Trade (%)		Manufacturing, value-added (% of GDP)		Agriculture, forestry and fishing, value-added (% of GDP)		Services, value-added (% of GDP)	
	2018	2019	2018	2019	2018	2019	2018	2019
Afghanistan	0.005	0.006	..	..	20.25	21.13	52.63	52.08
Armenia	0.012	0.014	11.27	11.74	13.94	11.99	52.62	54.23
Azerbaijan	0.104	0.106	4.62	5.01	5.21	5.72	35.28	37.36
Bhutan	0.003	0.003	7.53	..	15.89	..	39.93	..
Bolivia	0.046	0.046	10.34	10.49	11.48	12.22	49.09	50.72
Botswana	0.034	0.027	5.15	5.25	1.99	1.95	59.41	60.62
Burkina Faso	0.017	0.018	9.41	9.91	20.42	20.30	41.75	43.96
Burundi	0.001	0.001	..	..	29.01	28.90	49.11	47.94
Central African Republic	0.001	0.001	18.13	18.64	31.24	32.43	41.97	43.57
Chad	0.016	0.012	2.87	2.85	45.10	42.59	37.53	40.47
Eswatini	0.009	0.011	28.85	29.39	8.59	8.77	53.68	53.15
Ethiopia	0.014	0.015	5.83	5.58	31.22	33.88	36.41	36.87
Kazakhstan	0.313	0.303	11.43	11.38	4.40	4.44	55.45	55.47
Kyrgyzstan	0.009	0.010	14.26	14.30	11.68	12.09	49.77	50.24
Lao PDR	0.027	0.031	7.45	7.48	15.71	15.29	41.61	42.65
Lesotho	0.006	0.005	16.25	15.95	4.38	4.38	51.28	51.45
Malawi	0.004	0.005	..	..	26.33	25.54	52.59	54.38
Mali	0.018	0.018	2.72	3.01	37.39	37.32	33.75	33.12
Mongolia	0.036	0.040	9.45	9.61	10.79	11.01	39.30	39.03
Nepal	0.004	0.005	4.99	4.98	25.76	24.26	51.00	50.61
Niger	0.006	0.007	6.26	6.18	38.44	38.18	37.84	38.07
North Macedonia	0.035	0.038	..	..	8.54	8.77	54.37	54.58
Paraguay	0.046	0.041	18.92	18.30	10.24	10.08	49.06	50.42
Republic of Moldova	0.014	0.015	11.21	10.89	10.27	9.86	53.55	54.25

Rwanda	0.006	0.006	7.55	8.19	24.64	24.07	49.78	49.27
South Sudan	..	..	..	..	..	..	..	..
Tajikistan	0.006	0.006	10.50	..	19.20	..	42.10	..
Turkmenistan	0.049	0.053	..	..	..	..	..	..
Uganda	0.016	0.018	15.82	15.45	22.81	21.92	43.45	43.32
Uzbekistan	0.058	0.085	16.96	19.57	27.95	25.52	31.85	32.25
Zambia	0.046	0.039	7.77	..	2.79	2.74	54.01	50.03
Zimbabwe	0.023	0.023	10.59	..	8.30	..	61.28	..
Average, LLDCs	0.985	1.007	10.18	10.42	14.71	16.22	46.9	46.6

Source: UNCTADStat, World Bank