



# United Nations Economic Commission for Africa

**53<sup>rd</sup> Session of the  
Conference of African Ministers of Finance, Planning and Economic Development**

**20 March 2021  
16:00 - 17:30 East Africa Time  
Addis Ababa, Ethiopia  
*Virtual Meeting***

***Theme: Leveraging on AfCFTA to promote smooth functioning of Corridors for  
Sustainable Industrialization and Diversification during COVID-19 era.***

**ES Talking Points**

## **I. Introductory Courtesies**

- Recognition of all dignitaries' present, including the UNOHRLLS USG, Honourable Ministers and Development Partners and distinguished guest
- Acknowledgement and commendation of the (UN-OHRLLS) for co-convening the Side Event meeting on the margins of 53<sup>rd</sup> fifty-third session of the Conference of African Ministers of Finance, Planning and Economic Development
- Recognize the uniqueness of the format of this year's COM meeting – Virtual - because of the extra-ordinary circumstances of COVID-19 and more so that it is a weekend

## **II. Africa is home to majority of the world's LLDCs, which continue to face peculiar trade and development challenges**

- Africa is home to half of the world's 32 landlocked developing countries (LLDCs), which all face special trade and development challenges, arising from their lack of territorial access to the sea and geographical remoteness from international markets.
- LLDCs suffer from lack of competitiveness of both their exports and imports, as well as reduction in the purchasing power of their populations, leaving them worse off in comparison to non-LLDCs.
- Poverty headcount ratio (the proportion of people living on less than \$1.90 a day) is high with an average of 55.8 per cent in LLDCs as compared to the average of all non-LLDCs African countries of 8.4 per cent.
- The average GDP per capita in African LLDCs is \$1506, while for non-LLDCs African countries is \$5208.
- Africa's infrastructure deficit, including resultant high costs of logistics remains a primary constraint to growth. Regarding energy infrastructure for example, only 30 per cent of people living in the African LLDCs had access to electricity in 2017, lagging behind all LLDCs and the world.
- Although the 2019 VPoA midterm review pointed to the fact that African LLDCs are making efforts and progress towards the implementation of the programme's priorities, however, progress has been inadequate to achieve the objectives of the programme by 2024, as well as Agenda 2063 and SDGs.
- It is recognized that there is need for accelerated actions and interventions towards addressing the special challenges associated with landlockedness and ensure that these countries are not left behind.
- In recognition of the need for accelerated interventions to ensure that LLDCs are not left behind, The High-Level Political Declaration was adopted during the Midterm Review in 2019, alongside a visionary Roadmap on the implementation of multiple projects in LLDCs by different stakeholders.
- Both the 2030 Agenda and Agenda 2063 recognize and make provisions for addressing the peculiar challenges of LLDCs, including in the area of transport connectivity and trade facilitation

### **III. COVID-19 compounds the dire realities of African LLDCs but there are also opportunities to build forward better post COVID**

- According to UNCTAD, about 80% of global commercial trade is transported by commercial shipping – which is presently the most cost-effective mode of inter-continental transport. Trade flows of food products is incredibly crucial to maintain the well-being of Africans, given that a majority of African countries, especially Africa's LLDCs, are net importers of food, especially in grains.
- Against the backdrop of the coronavirus pandemic most countries moved to close their borders as a way of managing risks and containing the spread of the virus. This resulted in further strains been put on Africa's LLDCs, who rely heavily on transit countries to not only export, but to also receive crucial shipments of food, fuels, and pharmaceutical and medical supplies.
- As a result of COVID-19, the global economy is projected to contract sharply, by 3 per cent, in 2021 while the African economy is expected to contract by negative 5.4% in 2021 presenting the most vulnerable countries (LLDCs) with unprecedented challenges.
- Most LLDCs do not have sufficient domestic resources and fiscal space to fund adequate COVID-19 response and recovery measures. Empowerment of LLDCs, including in the area of development finance, is important for the international community in achieving SDGs and Agenda 2063.
- The average total government debt among Africa's LLDCs is 39.7 per cent of GDP in contrast to Africa's non-LLDC countries that have average government debt levels of only 15.2 per cent of GDP.

### **IV. Partnerships and collaboration in the implementation of the VPoA have become even more urgent in the era of COVID-19**

- The imperative to forge strong global, regional, national and local partnerships and cooperation for the achievement of the VPoA objectives has become even more urgent with the advent of the CoVID-19 pandemic.
- No country is safe, and no country can overcome this pandemic alone, especially not the LLDCs that already face numerous challenges. Collaboration and cooperation at borders and key ports of trade are key to ensuring that LLDCs are able to receive imports of key products – including vaccines is crucial
- The importance of keeping borders open for merchandise trade cannot be understated. This provides an opportunity for LLDCs and their transit neighbours to work on innovative ways to facilitate border-crossing of goods (while reducing physical contact) and the case for integrating customs systems and infrastructure to ensure goods (especially critical items like personal protective equipment) are able to transported in a timely manner. This is where the deployment of digital technologies become even more critical.

### **V. Leveraging Digital Technologies would be key in ensuring the integration of LLDCs in global value chains**

- Digital technologies have come to the forefront amid the COVID-19 outbreak, with lockdowns and physical distancing becoming the norm. However, access to digital technologies remains highly unequal within and between countries and more so, in African LLDCs.
- The high cost of internet access in many LLDCs is the main reason behind the low number of users. The monthly fixed broadband price is around 72 per cent of the average per capita income in LLDCs, a huge cost compared to the 5 per cent of developed countries and 20 per cent of transit countries.
- High costs of are due to the lack of proper infrastructure such as fibre-optics and transmission lines.
- Rwanda is a positive example of how investing in digital communications infrastructure has improved the business environment of the country and supported international integration (establishment of more than 4,500 km of fibre-optic broadband cabling, connecting all 30 districts of the country and creating nine regional links to neighbouring countries).

## **VI. The AfCFTA is a game changer, including for Africa's LLDCs**

- The AfCFTA serves an effective instrument for regional integration, promotion of industrial development and economic diversification and the enhancement of the participation of the member states in regional and global trade and value chains, more so for the LLDCs.
- With the initial launch of another flagship initiative for Agenda 2063 in January 2018, the Single African Air Transport Market (SAATM) which liberalises and unifies the African skies and was ratified by 25 countries of the African Union (AU) facilitates the attainment of the objectives of the Plan for Boosting Intra-African Trade and the AfCFTA.
- Vigorously pursuing the objectives of the AfCFTA which are aimed at achieving a comprehensive and mutually beneficial trade agreement among member states of the AU will integrate LLDCs into the regional and global value chains.

I thank you for your kind attention