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One Year of SDGs: Where the Regions Are

28 October 2016

**Dialogue of the Executive Secretaries
of the Regional Commissions with the
UNGA Second Committee**

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UN Economic Commission for Africa

STATUS OF THE AFRICAN ECONOMY

Impressive progress has been made on socio-economic development in Africa, but...unemployment and extreme poverty rates are still among the highest globally.

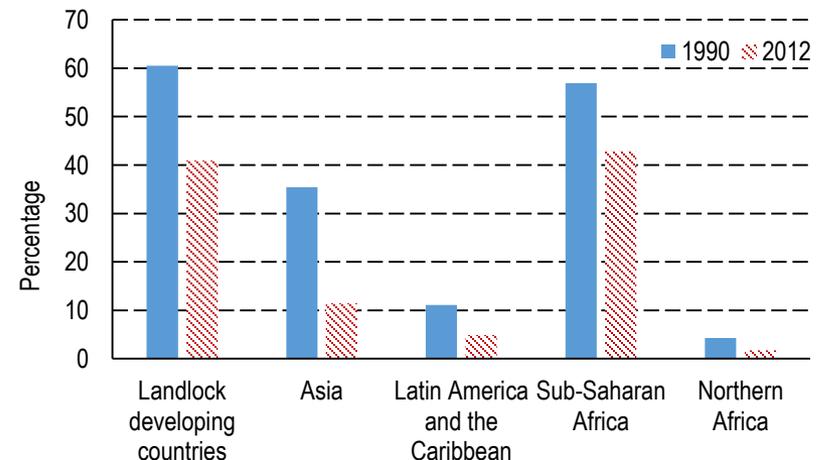
SOCIO-ECONOMIC DEVELOPMENT

- ➔ **Africa's economic growth:** 54% increase during the past 10 years in its GDP (almost twice the world economic growth).
- ➔ **MDG progress:** Goal 2 on achieving universal primary education; Goal 3 on promoting gender equality and empowering women; and Goal 6 on combating HIV/AIDS and other diseases.
- ➔ **International support:** the largest recipient of the ODA (42% of total net ODA disbursements); WTO Nairobi and Bali packages (Trade Facilitation Agreement); and HIPC and MDRI initiatives.



has not been translated into significant reductions in poverty.

POPULATION LIVING BELOW \$1.25



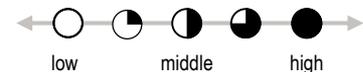
Source: UNSD, 2015

- ➔ **the highest rate of extreme poverty...the number of poor people has increased despite reductions in the poverty rate**

STATUS OF THE AFRICAN ECONOMY (MDG PROGRESS)

Africa's performance on the MDGs was remarkable despite its poor starting conditions: at least five of the eight MDGs.

GOALS	SCORE	DESCRIPTION
Goal 1: Eradicate extreme poverty and hunger		Several African countries are on track to meet the poverty target but the number of people in extreme poverty is growing
Goal 2: Achieve universal primary education		Access to primary education continues to improve yet the quality of education remains weak
Goal 3: Promote gender equality and empower women		Gender parity declines with transitions to higher levels of schooling. Robust representation of women in national parliaments across the continent
Goal 4: Reduce child mortality		Unprecedented declines in child mortality
Goal 5: Improve maternal health		Rapid decline from high levels of maternal deaths
Goal 6: Combat HIV/AIDS, malaria and other diseases		Accelerated decline in the incidence and prevalence of HIV/AIDS
Goal 7: Ensure environmental sustainability		Credible commitment to protect Africa's terrestrial and marine areas. Slow progress in improving access to safe drinking water and sanitation
Goal 8: Develop a global partnership for development		Declining share of global trade. Continued aid dependence despite declining ODA



DUAL TRANSITION OF AFRICA'S DEVELOPMENT AGENDAS

Coordination will be vital to ensure that implementation and follow-up take into account all dimensions of both initiatives

TWO DEVELOPMENT AGENDAS FOR AFRICA

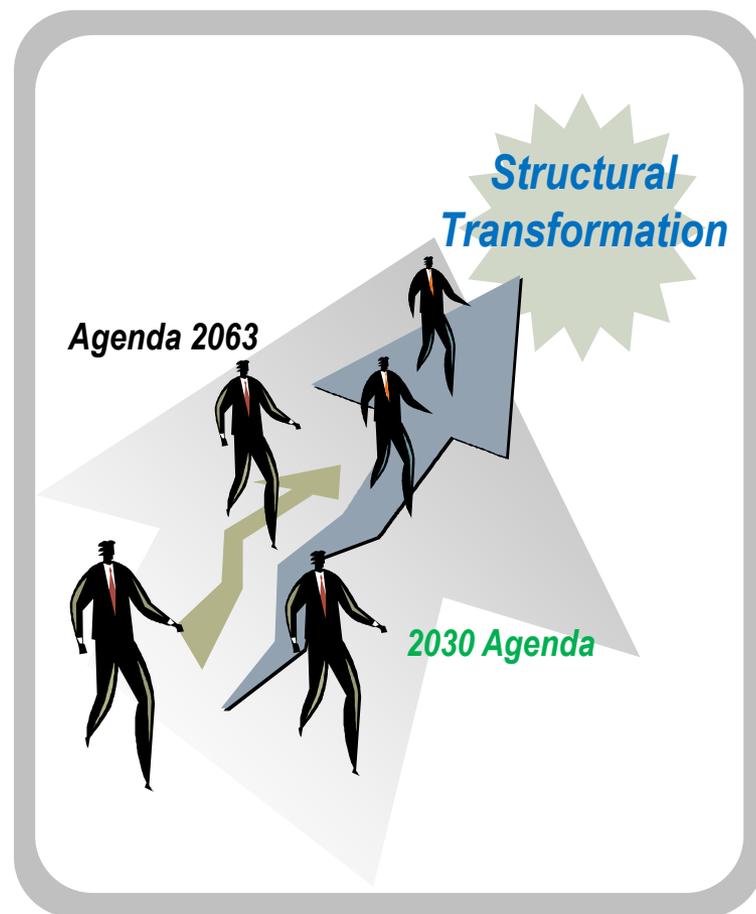
Agenda 2063

In January, 2015, the AU Heads of State and Governments adopted Agenda 2063 with 7 aspirations, 20 Goals and 34 priority areas.

2030 Agenda

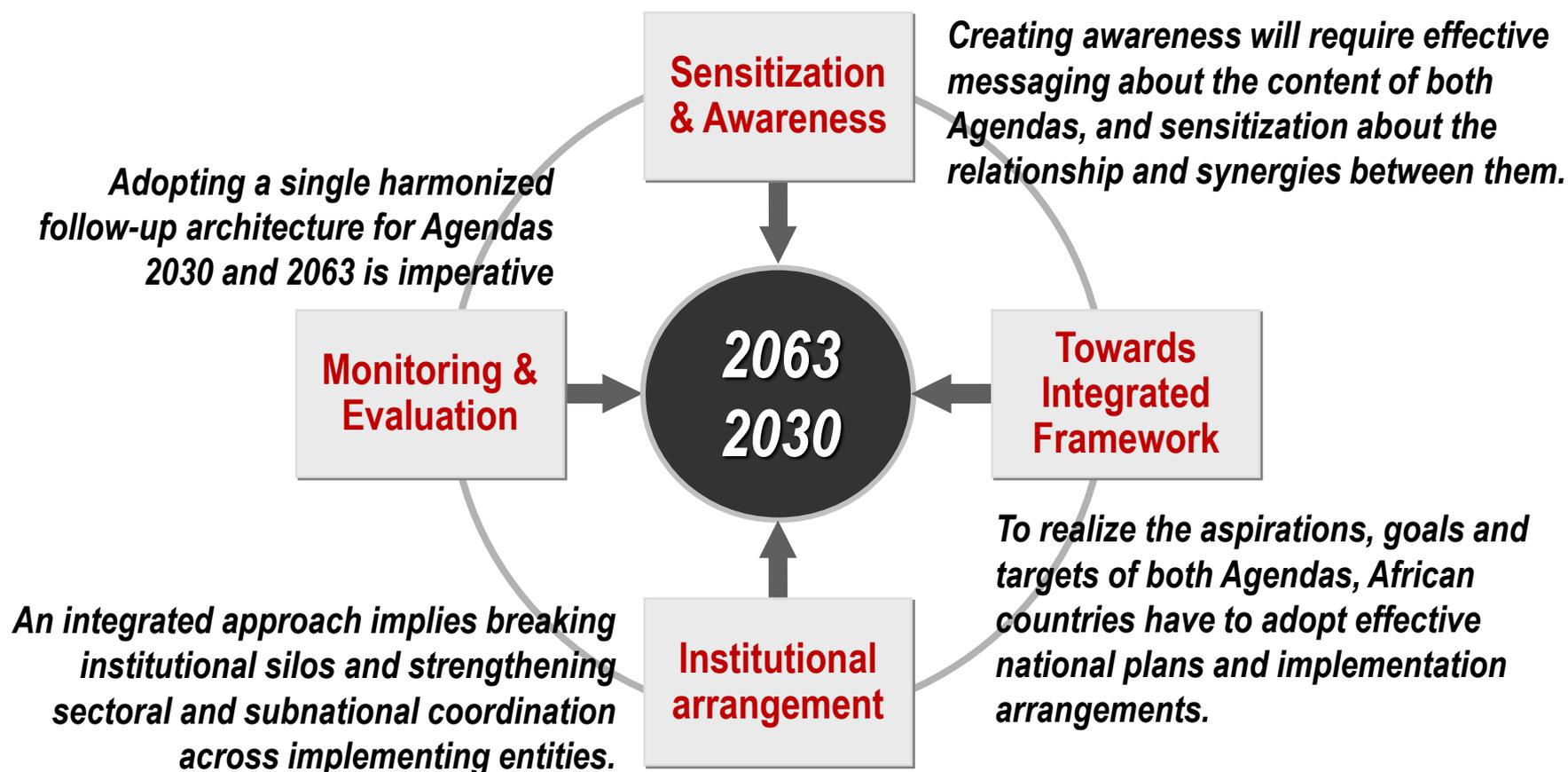
In September of the same year they also signed on the 2030 Agenda for Sustainable Development with 17 Goals, 169 targets and 230 indicators.

A global level transition from the MDGs to the 2030 Agenda for the world and a continent level transition to agenda 2063, a framework that consolidates new and existing regional initiatives such as NEPAD into a forward looking transformational framework for Africa.



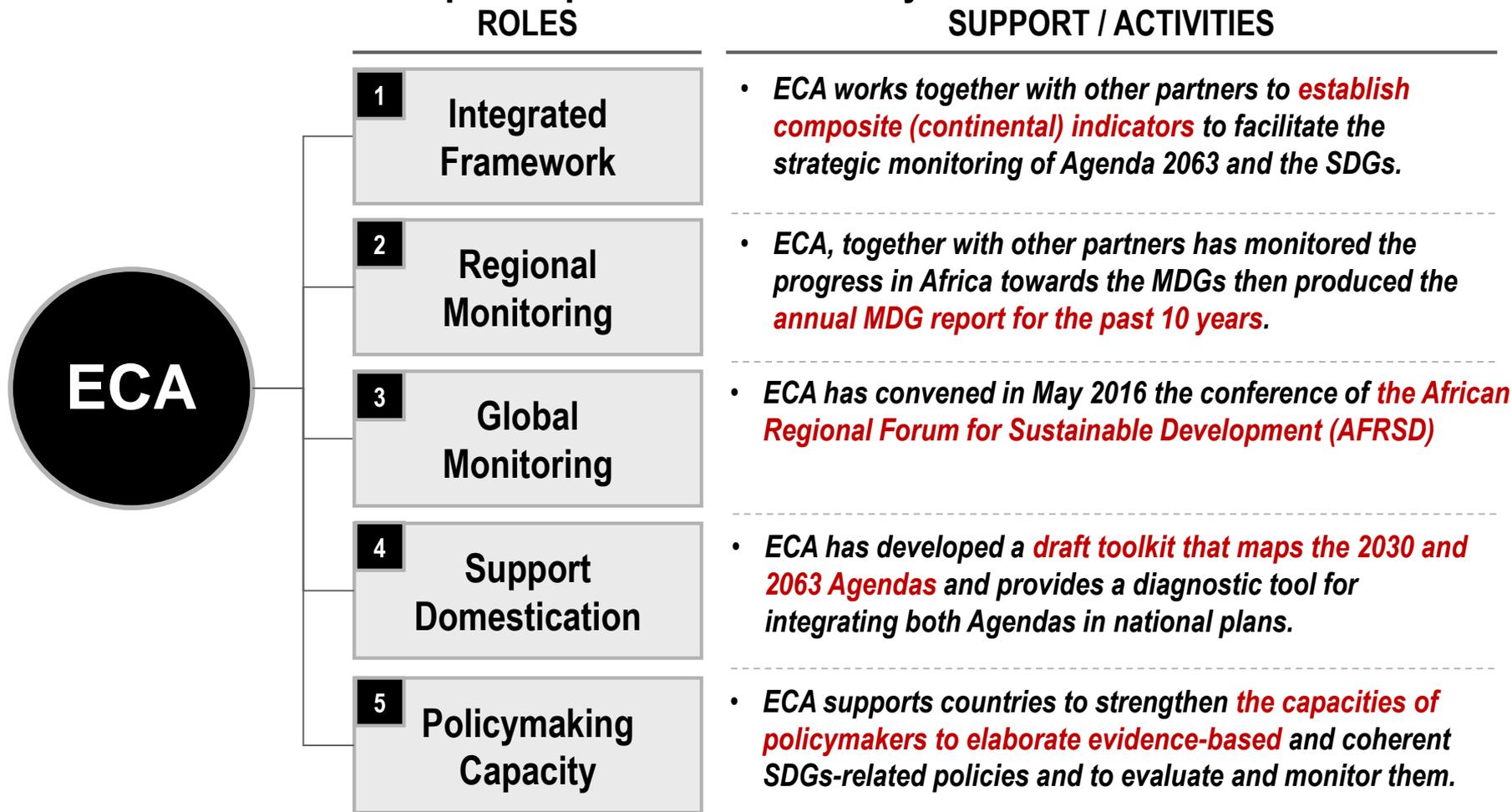
CHALLENGES AND OPPORTUNITIES FROM DUAL TRANSITION

Agendas will provide the framework for sustainable structural transformation, but it requires addressing four challenges to translate them into opportunities.



ROLE OF ECA IN LINE WITH DUAL TRANSITION

ECA provides substantial support for African countries to integrate both Agendas into their national development plans in various ways.





FINANCING PRIORITIES OF AFRICA'S DEVELOPMENT

- **Implementation of both Agendas critically depends on effective mobilization of both domestic & external resources**
- **As external resource inflows are volatile and unpredictable, Africa has stepped up its efforts to address its financing gap by relying more on domestic resources mobilization though challenges remain**
- **Despite the notable growth profiles & significant tax reforms, the performance of tax revenue mobilization in Africa has been limited**
- **There has been significant domestic revenue loss as a result of, mainly, excessive tax incentives & large drains through illicit financial flows (IFFs)**
- **Africa loses US\$50 – US\$80 billion every year as illicit financial outflows. While tackling the high levels of IFFs from Africa, efforts should be made to improve public financial management systems**
- **To ensure effective implementation of DRM initiatives of Africa, more focus should be on planning & governance frameworks**



FINANCING PRIORITIES OF AFRICA'S DEVELOPMENT (Cont.)

- Besides enhanced DRM through taxation, central banks could unlock idle resources and channel them into productive investments.
- Deepening financial systems, strengthening microfinance institutions, tapping into innovative sources of finance & better governance are also critical in boosting DRM in Africa
- Given Africa's focus on DRM, ODA could be effectively used to unlock and leverage domestic resources. For instance, donors could provide effective technical support to enhance tax capacity-building efforts & improve tax administration
- Remittances flows to Africa is also a stable source of development finance and has been higher than both ODA and FDI flows to the region since 2010. However, the cost of remitting money and channeling remittances for sustainable development remains a challenge



GLOBAL PARTNERSHIP FOR AFRICA'S DEVELOPMENT

- Global partnerships play an important role though not just bridging financing gaps but also building policymaking and technology capacities.
- Share of Africa's exports in global market declined from 3.3 per cent in 2013 to 3.0 per cent in 2014 and to 2.4 per cent in 2015.
- The growing concern about debt sustainability raises the more basic issue of how to ensure a fair mechanism to address future sovereign debt crises.
- Given the substantial ODA delivery gap, the role of emerging economies is critical for new development era, such as BRICS.
- Multi-stakeholder partnerships (both traditional and emerging development partners) will be critical to mobilizing internal and external resources, strengthening capacities and facilitating the requisite technology development and transfer for the implementation of both Agendas.

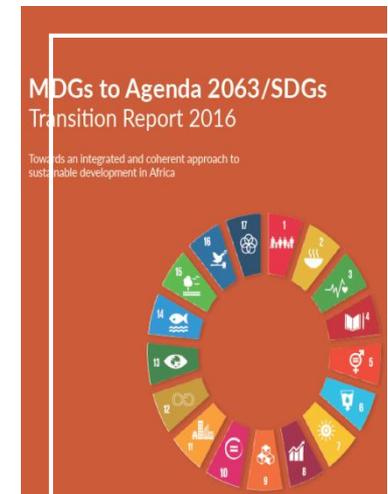
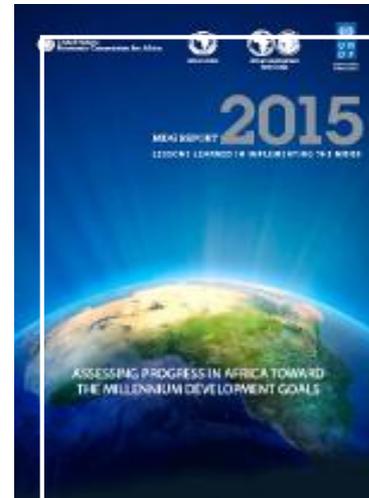
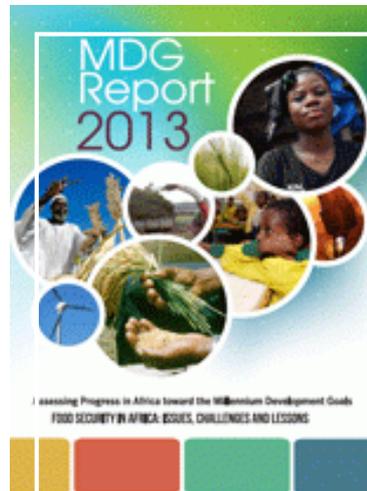
CONCLUSION: TRANSFORMING OUR AFRICA!

Challenge & Opportunity

Successful Transition

The adoption of Agenda 2030 and Agenda 2063 by African countries poses both a challenge and an opportunity:

- The **challenge** lies in the difficulties in devising a coherent framework that integrates both Agendas in a balanced way.
- The **opportunity** lies in the fact that integrated implementation promotes policy coherence, minimizes duplication and the reporting burden on policymakers and also orients development partners towards supporting one coherent set of development priorities.



Transforming Africa!

I thank you for your kind attention.