United Nations E/CN.5/2018/2

Economic and Social Council

Distr.: General
21 November 2017

Original: English

Commission for Social Development
Fifty-sixth session
29 January–7 February 2018
Item 3 of the provisional agenda*
Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly

Social dimensions of the New Partnership for Africa's Development

Report of the Secretary-General

Summary

The present report, submitted pursuant to Economic and Social Council resolution 2017/11, contains a review of progress made in the social dimensions of the New Partnership for Africa's Development, including with respect to poverty eradication, hunger reduction, food security, inequality reduction, the creation of decent jobs through structural transformation, human development, peace and security and good governance. Also discussed are partnerships and resource mobilization, as well as the progress made in ensuring the coordinated implementation of Agenda 2063 of the African Union and the 2030 Agenda for Sustainable Development. Policy recommendations for the accelerated and sustained development of Africa are provided.

* E/CN.5/2018/1.

17-20640 (E) 081217

I. Introduction

1. Since its adoption in 2001, the New Partnership for Africa's Development (NEPAD), a development programme of the African Union, has provided a vision and policy framework for the development and integration of Africa into the world economy. The African Union's transformative Agenda 2063: The Africa We Want and the 2030 Agenda for Sustainable Development are giving further impetus to the global aspiration for an inclusive, prosperous and peaceful world where no one is left behind, particularly in Africa. By tracking progress in the social dimensions of NEPAD, the present report also contributes to the tracking of progress towards achieving the goals contained in Agenda 2063 and the 2030 Agenda.

II. Progress in eradicating poverty, reducing hunger and inequality and promoting decent work

A. Poverty

2. Africa has made progress in reducing poverty since 1990. The poverty headcount ratio, or the proportion of people living in extreme poverty (measured as living on less than $1.90 a day), decreased from 39.8 per cent in 2008 to 34.8 per cent in 2013.[1] However, progress has been uneven across regions of the continent.

3. In North Africa, poverty fell rapidly, with the poverty headcount ratio decreasing by 46 per cent, from 5.0 to 2.7 per cent, between 2008 and 2013. In sub-Saharan Africa, progress was much slower, with the poverty headcount ratio decreasing by only 13 per cent during the same five-year period, from 46.9 to 41.0 per cent. In addition, because of rapid population growth and the slow pace of poverty reduction, the number of people living in extreme poverty increased slightly, from 389.7 million to 390.2 million over that period, making sub-Saharan Africa the region with the largest share of poor people in the world. Sub-Saharan Africa also has the highest concentration of extreme poverty, with 51 per cent of the world's poor living in the subregion in 2013.

4. Africa's progress in reducing poverty was enabled by the continent's strong economic growth — averaging 5 per cent annually — between 2000 and 2014, owing mainly to a surge in the international prices of natural resources and primary commodities.[2] Despite this sustained growth, Africa experienced a much slower pace of poverty reduction compared with other developing regions owing to structural challenges and vulnerability to shocks. A marked deceleration in Africa's growth to 3.7 per cent in 2015 and 1.7 per cent in 2016, owing to the recent fall in commodity prices, continuing food insecurity and climate change,[3,4] further threaten to reverse hard-won gains in poverty reduction. There is reason for hope, however, given that economic growth in sub-Saharan Africa is projected to slowly recover in 2017 and 2018, reflecting increases in commodity prices, a pickup in global growth and more supportive domestic conditions.

5. It should be noted that in many large African economies, the enclave nature of the growth sectors — capital-intensive extraction and exported natural resources —

---

[1] See http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx.

[2] African Development Bank (AfDB), Organization for Economic Cooperation and Development (OECD) and United Nations Development Programme (UNDP), *African Economic Outlook 2016: Sustainable Cities and Structural Transformation* (Paris, OECD Publishing, 2016).

[3] *World Economic Situation and Prospects 2017* (United Nations publication, Sales No. E.17.II.C.2).

[4] *World Economic Situation and Prospects 2017: Update as of Mid-2017* (United Nations publication, forthcoming).

has not generated sufficient jobs, has often exacerbated inequalities and does not facilitate resilience to shocks. In addition, high initial income inequality has lowered the poverty-reducing effect of growth in sub-Saharan Africa. These are among the challenges Africa faces in eradicating poverty.

6. The poorest in Africa are concentrated in specific areas and groups. Spatially, people living in rural areas, remote areas, conflict zones and informal settlements in large urban areas are much more likely to be poor.[5] For instance, poverty affects more than 60 per cent of the rural population in 17 countries and between 50 and 60 per cent in 14 countries.[6] Socially, ethnic and religious minorities, persons with disabilities, women, older persons, youth and children also tend to be among the poorest. For instance, for the period 2015–2020, the probability that a child born in sub-Saharan Africa will die before his or her fifth birthday is 16 times greater than that of a child born in the world's developed regions.[7]

7. The share of workers who cannot earn sufficient income to pull themselves and their families out of poverty is also high. In addition, sub-Saharan Africa not only has the world's largest share of the working poor (workers living on less than $1.90 a day), 33.6 per cent in 2016,[8] it also displays poverty levels that are consistently higher over time for working youth than for working adults, and for female workers than for male workers.[9]

8. Further progress in poverty reduction in Africa will require increasing economic diversification through structural transformation. A more diversified economic structure would bolster resilience to external shocks to sustain economic growth that is needed for poverty eradication. Strong economic growth would raise the average income, thereby reducing poverty; it would also afford greater scope for redistributive policies, including increased investment in social services and social protection, to accelerate social progress.

B. Hunger, malnutrition and food insecurity

9. Africa has the highest level of hunger and food insecurity in the world. After a prolonged decline, hunger is on the rise in Africa. The prevalence of undernutrition, or the proportion of undernourished people, fell from 24.8 to 17.8 per cent between 2000 and 2013. Since then, however, the proportion has increased, reaching 20 per cent in 2016 owing to droughts and conflicts, among other causes.[10]

10. Africa was also the only region where the number of undernourished people was increasing prior to 2015: from 191.1 million in 2010 to 218.7 million in 2015. That number further increased to 243.2 million in 2016. Africa also has the world's highest level of food insecurity. The continent's proportion of severely food insecure people increased from 25 per cent in 2014 to 27.4 per cent in 2016, which translated into an

[5] David Lawson, Lawrence Ado-Kofie and David Hulme, eds., *What Works for Africa's Poorest: Programmes and Policies for the Extreme Poor* (Rugby, United Kingdom of Great Britain and Northern Ireland, Practical Action Publishing, 2017).

[6] Ayodele Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa: Divergence, Determinants and Consequences — Overview* (New York, UNDP, 2017).

[7] *World Population Prospects: The 2017 Revision* (United Nations publication), DVD-ROM.

[8] International Labour Organization (ILO), *World Employment Social Outlook: Trends 2017* (Geneva, 2017).

[9] *2017 Africa Sustainable Development Report: Tracking Progress on Agenda 2063 and the Sustainable Development Goals* (United Nations publication, Sales No. E.17.II.K.5).

[10] Food and Agriculture Organization of the United Nations (FAO) and others, *The State of Food Security and Nutrition in the World 2017: Building Resilience for Peace and Food Security* (Rome, FAO, 2017).

increase in the number of those who are severely food insecure from 289.5 million to 333.2 million.[11]

11. Widespread malnutrition, a major cause of poor health and educational outcomes, productivity loss and death, also continues to disproportionately affect the population of Africa. In 2016, 31.2 per cent of children under 5 years of age were stunted and 7.4 per cent were wasted.[12] Africa has made very slow progress on child malnutrition compared with Asia and Latin America and the Caribbean. Between 2000 and 2016, stunting in those two regions declined twice as fast as it did in Africa, which is the only region where the number of stunted children under age 5 rose, from 50.4 million in 2000 to 59 million in 2016, with West Africa accounting for half of that increase.

12. Ongoing conflicts, exacerbated by extreme weather events, such as chronic droughts and flooding resulting from climate change, have caused much of the recent increase in hunger and food insecurity. Since hunger and undernutrition are significantly worse where conflicts are prolonged and institutional capacities are weak, it is necessary to align actions to provide immediate humanitarian assistance with those to sustain peace and long-term development in conflict-affected situations.[13]

13. Soil degradation, rapid population growth, soaring and volatile food prices and inadequate investment in agriculture are other main factors in the lack of progress in hunger reduction and food security in Africa. African countries and their development partners have recognized that agriculture-led growth is critical to eradicating poverty and enhancing food security and nutrition in the region, given that 65 per cent of the continent's population live in rural areas and rely on agriculture for subsistence. Improvements in agriculture and the non-farm rural economy also foster job creation and inclusive growth. To that end, the agricultural sector requires greater public investment in research and development, training, infrastructure, high-yielding crop varieties and fertilizers. Improved access to markets and financial services is also needed. Gains in those areas would increase the productivity and competitiveness of smallholder farmers, who produce an overwhelming share — as much as 90 per cent — of Africa's agricultural output (see E/CN.5/2017/2).

14. In 2003, African Heads of State and Government committed themselves to implementing the Comprehensive Africa Agriculture Development Programme, by which they agreed to allocate at least 10 per cent of national budgets to agriculture and to achieve an average annual agricultural growth rate of 6 per cent.[14] Despite notable progress made in the agricultural sector since the implementation of the Programme, very few African countries were able to reach the Programme's investment and productivity targets during its first decade. Only 13 countries have met the target of allocating a minimum of 10 per cent of public expenditure to the agricultural sector in any year and only 7 of them met the target in most years. Similarly, few countries have achieved the target of an average annual agricultural growth rate of 6 per cent. Consequently, unlike in other regions, such as Asia, the potential for sustainable agricultural development to contribute to poverty reduction and improved nutrition and health has, in general, not yet been seen in Africa.

[11] Ibid.

[12] United Nations Children's Fund, World Health Organization (WHO) and World Bank Group, "Levels and trends in child malnutrition: joint child malnutrition estimates — key findings of the 2017 edition", 2017.

[13] FAO and others, *The State of Food Security and Nutrition in the World 2017*.

[14] African Union and New Partnership for Africa's Development (NEPAD), *Comprehensive Africa Agriculture Development Programme* (Midrand, South Africa, NEPAD, 2003).

15. Ethiopia and Rwanda stand out as exceptions. In those two countries, agricultural policies funded by a relatively high share of the government budget for agriculture have had positive, strong effects on consumption and poverty reduction, especially in rural areas. In Ethiopia, the Government allocated 13.5 per cent of its budget to agriculture in 2013 (see E/CN.5/2017/2).

16. Impressive recent economic growth in Rwanda has mainly been due to national development strategies that have prioritized the agriculture sector as a major engine of growth. Between 2000 and 2012, average gross domestic product (GDP) grew at an annual rate of 8.1 per cent, and agricultural GDP grew an average of 5.2 per cent per year. At the same time, poverty fell significantly, especially in rural areas. The national poverty headcount decreased from 59 per cent in 2001 to 45 per cent in 2011.[15]

17. In Rwanda, during the five-year implementation period (2008–2012) of its first Comprehensive Africa Agriculture Development Programme, government strategies and scaled-up investments in land intensification and irrigation, provision of subsidies for fertilizers and seeds, land use consolidation and other public activities to promote the production of priority crops resulted in an acceleration of agricultural growth to 5.7 per cent per year, with the agriculture sector being responsible for over 50 per cent of the national reduction in the poverty rate by 12 percentage points.

18. In 2014, African leaders adopted the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, which reconfirmed the high-priority role of agriculture in the development agenda of the continent. Specific goals include recommitting to the principles and values of the Comprehensive Africa Agriculture Development Programme, in particular by pursuing agriculture-led growth as a main strategy to achieve targets for food and nutrition security and shared prosperity. African Governments recommitted to allocating at least 10 per cent of public expenditure to agriculture and to accelerating agricultural growth by at least doubling current agricultural productivity, while ensuring that agricultural growth and the transformation process are inclusive and contribute at least 50 per cent to the overall poverty reduction target. They also agreed to conduct a biennial agricultural review process that involves tracking, monitoring and reporting on progress made.

19. Encouraging progress has been made since the adoption of the Malabo Declaration, including the development of strategies and key guidelines to support the implementation of the Comprehensive Africa Agriculture Development Programme at the country level, and extensive engagements made at the country, regional and continental levels. In 2016, more than 45 African countries were at varying stages of the Programme implementation process.[16]

20. To eradicate hunger and improve food security and nutrition on the African continent, it is imperative that agriculture be given a central role in the continent's structural transformation. Therefore, it is necessary to invest in rural infrastructure, modernize smallholder agriculture to increase productivity and enhance access to markets, credit and agricultural value chains. In addition, enhancing trade and regional integration is crucial, given the current great potential of the continent's domestic food market, driven by high population growth, urbanization and rising

[15] World Bank, "Promoting agricultural growth in Rwanda: recent performance, challenges and opportunities", Republic of Rwanda, Rwanda Agriculture Policy Note, report No. ACS9719 (Washington, D.C., 2014).

[16] NEPAD, "Repositioning CAADP for an accelerated implementation going for results and impact", final communique prepared for the 2016 Comprehensive Africa Agriculture Development Programme Partners' Business Meeting, Addis Ababa, November 2016.

incomes. At the national level, political commitment, improved governance, public-private partnerships and an enabling environment are vital.

C. Inequality

21. High or rising levels of inequality have been shown to have detrimental effects on long-term economic growth and the poverty reduction impact of growth. This is particularly the case when growth is driven by natural resource extraction and commodity exports. Africa is home to 10 of the 19 countries with the highest levels of inequality in the world.[17] Those high levels of both income and non-income inequality, undermine Africa's efforts to reduce poverty and foster inclusive growth, despite its strong economic performance over the past two decades.

22. Income inequality within countries, as measured by the Gini coefficient, is, on average, higher in Africa than in the rest of the developing world — 0.43 and 0.39, respectively. The Gini coefficients for 30 of 50 African countries are above the median coefficient for all developing countries. Another indication of high income inequality on the continent is the great income gap between the richest and the poorest segments of Africa's population. On average, the income of Africa's richest 20 per cent is over 10 times greater than that of its poorest 20 per cent. That ratio is less than nine times greater, on average, in other developing countries. In fact, seven countries with Gini coefficients around 0.60[18] are driving Africa's average income inequality above that of the rest of the developing world. Excluding those countries from the calculation brings Africa's average income Gini coefficient to 0.40, a value that is similar to the average for other developing regions.[19]

23. Between 2001 and 2011, average income inequality levels declined modestly in sub-Saharan Africa.[20] However, substantial variation in inequality trends exists across subregions. On average, income inequality declined in 17 countries that have predominantly agricultural economies located mainly in East and West Africa, accounting for 40 per cent of the sample population. In contrast, income inequality increased in 12 countries located mainly in Central and Southern Africa. The economies of those subregions are heavily dependent on the oil and mining sectors. In general, inequality declined in most of the countries with initially low levels of inequality, and it rose or stagnated in countries with initially high levels of inequality.

24. Drivers of income inequality in Africa include a lack of inclusive structural transformation, over reliance on capital-intensive industries and commodities, lack of sufficient decent employment opportunities for all, gender inequality in the labour market, demographic changes, consisting mainly of a youth bulge, and low human capital development, especially in terms of education and health.

25. Besides income inequality, gender inequality, which manifests itself in the economic, social, political and human development realms, is high in almost every African country. Women are less likely to participate in the labour market, and when they do, they earn lower wages — an average of 70 per cent of those earned by men — and tend to engage in vulnerable employment, including in the informal sector, which comes with high risks and lack of social protection. In sub-Saharan Africa, GDP lost between 2010 and 2014 owing to gender gaps in the labour market totalled nearly

[17] Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa*.
[18] Angola, Botswana, Central African Republic, Comoros, Namibia, South Africa and Zambia.
[19] Odusola and others, eds., *Income Inequality Trends in Sub-Saharan Africa*.
[20] Determined on the basis of results from 29 countries that had adequate income data, representing 81 per cent of the population of the subregion.

$95 billion.[21] Those economic disparities are compounded by social norms that disproportionately assign domestic work to women and girls. Women spend twice as much time as men engaged in domestic labour, preventing them from engaging in productive economic or educational activities.

26. Women are also underrepresented in politics and in leadership positions in many countries. Inequality of opportunity, such as gender gaps in access to education, health care and finance, are prevalent and strongly associated with gender gaps in employment and earnings. Regarding education, some progress has been achieved in equalizing access to primary education for girls and boys in sub-Saharan Africa. Greater effort is still required to achieve gender parity in secondary and tertiary education.

D. Productive employment and decent work

27. It is well-recognized that productive employment and decent work constitute a pathway for sustained poverty reduction. The unemployment rate in Africa was 8 per cent in 2016 and will likely remain the same in 2017. Owing to a rapidly growing labour force, that rate translates into an increase in the number of unemployed, from 37.1 million in 2016 to 38.3 million in 2017. Those figures for the continent as a whole mask regional disparities, with unemployment levels being much higher in North Africa (12.1 per cent in 2016) than in sub-Saharan Africa (7.2 per cent).[22]

28. In North Africa, unemployment is particularly high among youth and women. Youth unemployment is more than three times higher than adult unemployment, representing a gap of 20 percentage points. Similarly, notwithstanding progress in educational attainment, women remain twice as likely to be unemployed as men, with the female unemployment rate expected to be 20 per cent in 2017.

29. Despite its low average unemployment rate, sub-Saharan Africa is characterized by pervasive vulnerable employment, which tends to trap people in poverty. In 2016, 247 million people, or 68 per cent of the total employed population of the region, were in vulnerable employment, compared with 21.2 million people (or 32.4 per cent) in North Africa. Most of the workers who are in vulnerable employment are in the informal economy, which is characterized by low-skill jobs, unsafe working conditions, low wages, long working hours and an absence of social protection. On average, 9 out of 10 workers in sub-Saharan Africa are estimated to hold informal jobs only. The share of informal jobs is much lower in Southern Africa.

30. The sustained economic growth experienced by many African countries over the past two decades has not generated enough jobs, owing to structural challenges and population growth. Many economies are heavily dependent on natural resources and extractive industries, which are capital intensive and employ only high-skilled labour. Very few African countries have a vibrant manufacturing sector that generates labour-intensive jobs and boosts wage employment. In many countries, workers have largely transitioned from the agriculture sector directly into tertiary sector activities, which are largely informal and characterized by low productivity.

31. As outlined in NEPAD and Agenda 2063, African Governments have committed to promoting structural transformation through industrialization and to strengthening the resilience of African economies. Industrialization is critical for sustainable development, employment creation and poverty eradication. However, the continent's industrial sector faces critical shortages of technology and skilled labour and lacks

[21] UNDP, "Africa human development report 2016: accelerating gender equality and women's empowerment in Africa" (New York, 2016).

[22] ILO, *World Employment Social Outlook*.

access to affordable credit. Infrastructure deficits and high trade and transport costs also hinder the sector's performance.

32. The experiences of countries such as Ethiopia, Mauritius and South Africa, which are exhibiting growth in the manufacturing and tertiary sectors, show that economic and export diversification, improved infrastructure facilities, the adaptation and diffusion of higher technologies, increased access to credit, quality education, the availability of a skilled labour force and strong macroeconomic management and institutions can accelerate manufacturing performance.

33. Africa's population is increasing very rapidly: its share of the world's working-age population will exceed 40 per cent in 2100. Most of that population will consist of young people. Over the course of the next decade, more than 10 million young people are expected to enter the labour market each year. Given that most young people live in rural areas and work in the agriculture sector, improving agricultural productivity and investing in agriculture value chains can also provide opportunities for decent youth employment and reduce migration to urban areas. That approach, coupled with economic diversification into manufacturing, has proved effective in job creation and poverty reduction. For example, Ethiopia is modernizing its agriculture sector, opening agricultural markets and investing in infrastructure. It is also promoting labour-intensive light manufacturing. One of its industrial parks aims to ultimately employ 60,000 people and generate export revenue of $1 billion annually. Ethiopia is succeeding in growing its economy, creating jobs and reducing poverty and inequality through agriculture- and export-led growth.

34. Kenya and Rwanda are examples of other countries that, although not resource-rich, have achieved fast growth and made rapid progress in reducing poverty and inequality and in creating decent jobs through structural transformation. Kenya has focused on promoting a robust, diversified and competitive manufacturing sector, with the objective of becoming an industrialized middle-income economy by 2030. Similarly, Rwanda is pursuing structural transformation through agriculture-led growth. In addition, the Government is promoting macroeconomic stability and an attractive investment climate to foster business start-ups and attract foreign direct investment. Those efforts have seen led to job creation in the manufacturing and services sectors.[23]

III. Promoting social development

A. Access to quality education

35. Education equips people with the knowledge and skills needed to increase their productivity and lifetime earnings and to reduce their vulnerability to various shocks. It also breaks intergenerational poverty and reduces inequality. In sub-Saharan Africa, achieving universal completion of upper secondary education for women by 2030 would lead to an annual reduction in child deaths of 300,000 to 350,000 in 2050. Evidence also shows that an increase in tertiary attainment by one year would increase the region's long-term GDP by 16 per cent,[24] with one year of education estimated to increase wage earnings by an average of 10 per cent.[25] Investing in quality education

[23] AfDB, OECD and UNDP, *African Economic Outlook 2017: Entrepreneurship and Industrialisation* (Paris, OECD Publishing, 2017).

[24] United Nations Educational, Scientific and Cultural Organization (UNESCO), *Global Education Monitoring Report 2016: Education for People and Planet — Creating Sustainable Futures for All*, 2nd ed. (Paris, 2016).

[25] UNESCO, "Reducing global poverty through universal primary and secondary education", Policy Paper 32/Fact Sheet 44 (Paris, 2017).

and expanding life-long learning opportunities for all is, therefore, a requirement for promoting the structural transformation, economic growth and sustainable development of the region.

36. Africa has made remarkable progress towards improving levels of education, in particular universal primary education. The number of primary school children enrolled in sub-Saharan Africa increased by 75 per cent between 1999 and 2012, and the gender parity index increased from 0.85 to 0.92 over the same period. Secondary education completion and participation also increased owing to higher retention and transition rates. Some Southern and East Africa countries have significantly expanded education coverage without affecting the quality of education. Kenya, for example, has increased the proportion of children completing primary school from 42 per cent in 2000 to 62 per cent in 2007, while improving the learning outcomes for children from poor and rich families. In sub-Saharan Africa, the number of primary schoolteachers rose from 1.9 million in 1999 to 3.4 million in 2012. An ongoing shortage of teachers, however, in particular trained teachers, remains a great concern for the region.[26]

37. Sixteen countries have abolished school fees, resulting in a 5.5 per cent increase in school attendance. However, that led to an eight-student increase in the pupil-to-teacher ratio in 16 countries, which demonstrates the need for more trained teachers. It is estimated that 41 per cent of primary school-age children in sub-Saharan Africa do not complete primary school and 87 per cent do not reach the minimum proficiency level in reading. Out-of-school rates are also the highest compared with other regions, with 21 per cent of primary school-age children, 36 per cent of lower secondary school-age children and 57 per cent of upper secondary school-age youth currently not enrolled in school. The proportion of gross enrolment in tertiary education has remained very low in sub-Saharan Africa, at 8 per cent in 2015. The proportion of trained teachers is also very low: 62 per cent and 45 per cent at the primary and secondary levels, respectively.[27]

38. Progress has been made in female school enrolment and completion rates. However, Africa has not yet achieved gender parity. In 2014, the proportion of students that completed secondary school was higher for girls than boys in North and Southern Africa, and nearly three times as many girls had completed secondary school since 2005 in Central Africa.[28] Sub-Saharan Africa has achieved gender parity among those from richer families who have ever been enrolled in school and those who have completed primary education; however, gender disparities persist among those from poorer families.[29] About 56 per cent of the countries with a gender disparity in primary school enrolment in 2012 were in sub-Saharan Africa, and girls remained at a disadvantage in secondary and tertiary education.[30]

39. To close the gender gap and increase female participation at all levels of education, countries need to tackle various barriers, including the lack of female teachers, the high prevalence of early marriage and pregnancy, discriminatory practices based on gender and disability status and school environments that are unfavourable to girls' attendance.

---

[26] UNESCO, "Education for all global monitoring report 2015: regional overview — sub-Saharan Africa" (Paris, 2015).

[27] UNESCO, *Global Education Monitoring Report 2017/2018*: *Accountability in Education — Meeting our Commitments* (Paris, 2017).

[28] UNESCO Institute for Statistics, UIS.Stat database. Available from http://data.uis.unesco.org/.

[29] World Bank, *World Development Report 2018: Learning to Realize Education's Promise* (Washington, D.C., 2018).

[30] United Nations, *The Millennium Development Goals Report 2015* (New York, 2015).

40. African countries need adequate financing to expand access to quality education and narrow education inequalities. In that regard, Governments have increased public spending on education. In 2012, half of the countries in the region spent about 5 per cent or more of their gross national product on education. The proportion of national income allocated for education also increased in most countries between 1999 and 2012, while the percentage increase in public spending on education exceeded that of economic growth in 19 of the 26 countries for which data were available. Total aid to basic education has also increased, from $1,447 million to $1,615 million over the past decade.[31]

B. Access to quality health care

41. Investment in health leads to reduced infant and child mortality; improved educational attainment, literacy and cognition; higher lifetime earnings; and greater consumption and labour productivity. Africa has made significant progress in the health sector, but still lags behind other regions.

42. The region has considerably improved health outcomes and well-being. Although 92 per cent of global malaria deaths occurred in Africa in 2015, malaria-related mortality rates declined by 66 per cent among all age groups and by 71 per cent among children under 5 years of age between 2000 and 2015.[32] The under-5 mortality rate declined from 140 deaths per 1,000 live births in 2000 to 81 per 1,000 live births in 2015.[33] Maternal mortality has also declined over the years. The maternal mortality ratio in sub-Saharan Africa decreased from 830 deaths per 100,000 live births in 2000 to 546 deaths per 100,000 live births in 2015, while the ratio in North Africa remained low, at 70 deaths per 100,000 in 2015.[34,35] The highest percentage decline occurred in Ethiopia owing to increased political commitment, the expansion of community health programmes, improved access to sexual and reproductive health services and increased funding.[36]

43. Despite the progress made in sub-Saharan Africa, in 2015 only 51 per cent of births were attended by skilled birth attendants and less than 50 per cent of women of reproductive age who were married or in union had their demand for family planning satisfied by any modern contraceptive method.[37] Moreover, the region still has the highest levels of neonatal and under-5 mortality in the world. The rate of child marriage exceeds 30 per cent in several countries.

44. The region has the highest incidence of HIV, with 1.5 new cases per 1,000 uninfected people in 2015. Around 4.4 per cent of adults 15 to 49 years of age were living with HIV in the same year.[38] The tuberculosis fatality rate in 2015 ranged from under 5 per cent in some countries to more than 20 per cent in the majority of countries in sub-Saharan Africa.

---

[31] UNESCO, "Education for all global monitoring report 2015".

[32] See WHO, "New report signals country progress in the path to malaria elimination", 9 December 2015. Available from www.who.int/mediacentre/news/releases/2015/report-malaria-elimination/en/.

[33] *World Population Prospects: The 2017 Revision*.

[34] United Nations, *The Millennium Development Goals Report 2015*.

[35] WHO, *Trends in Maternal Mortality: 1990 to 2015 — Estimates by WHO, UNICEF, UNFPA, World Bank Group and the United Nations Population Division* (Geneva, 2015).

[36] *2017 Africa Sustainable Development Report*.

[37] United Nations, Department of Economic and Social Affairs, Population Division, Model-based estimates and projections of family planning indicators 2017 database. Available from www.un.org/en/development/desa/population/theme/family-planning/cp_model.shtml.

[38] WHO, *World Health Statistics 2017: Monitoring Health for the SDGs, Sustainable Development Goals* (Geneva, 2017).

45. The region is likely to continue facing the burden of the prevailing communicable diseases, as well as the burden of non-communicable diseases, which is increasing along with the growing middle class. To achieve healthy lives for all, African countries need to strengthen their health care systems and improve value for money and equity in access to health services. By 2015, 27 countries had increased total government expenditures on health.[39] Countries should continue to enhance their investments in the sector to tap the full potential of their socioeconomic development and structural transformation. They also need to strengthen budget management and improve the quality of health expenditures.

C. Women's empowerment and gender equality

46. Africa has made good progress towards gender equality. Compared with a decade ago, more girls are now enrolled in school, more women have access to health care and safely give birth, and more women are participating in the labour force. However, gender gaps still exist in health, education, workplace and political participation, access to productive assets, financial services and natural resources, and entrepreneurship opportunities.

47. Early marriage and physical and sexual violence contribute to gender inequality. Around 50 per cent of girls were married before the age of 18 in East, Central and West Africa, and over 58 per cent of marriages among women 20–46 years of age in Chad, Ethiopia, Guinea and the Niger had taken place before the women had reached the age of 18.[40] Those phenomena coexist with a declining prevalence of child marriage in Africa, and some countries have managed to raise the minimum age of marriage among women. Several countries still have laws that discriminate against women in the private and public spheres. In sub-Saharan Africa, studies have shown a high prevalence of violence against women, with more than one third of women in many countries reporting having been victims of physical or sexual violence. The prevalence of female genital mutilation is high in some countries. In 2015, 70 per cent and 32 per cent of girls between the ages of 15 and 19 were subjected to that practice in North Africa and sub-Saharan Africa, respectively.[41]

48. Although women are underrepresented in the political sphere in most countries, some progress has been made. In sub-Saharan Africa, the proportion of seats held by women in national parliaments increased from 10.2 per cent in 1997 to 23.5 per cent in 2016. The proportion quadrupled in North Africa between 2000 and 2016. Rwanda has the highest level in the world, with women holding nearly 64 per cent of seats in the national parliament. In Namibia, Senegal and South Africa, women occupy between 41 and 44 per cent of the seats in their national parliaments.

49. More women than men are excluded from formal financial services. Around 25.1 per cent of women in sub-Saharan Africa have access to a financial institution, compared with 32.7 per cent of men. Hence, it is imperative that countries prioritize the leveraging of women's productive contributions in order to achieve inclusive, equitable and sustained economic growth and sustainable development. Efforts should be made to improve public services, strengthen laws, increase women's representation in leadership and improve access to productive assets and resources. To tap the economic potential of women and girls, African countries should continue to provide them with equal their access to quality education and health care, decent work and representation in political and economic decision-making processes.

---

[39] UNDP, "Africa human development report 2016".

[40] Ibid.

[41] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

D. Harnessing the demographic dividend

50. The population of Africa is the youngest in the world. Because it has the world's fastest rates of population growth, over 40 per cent of Africa's population is under the age of 15.[42] The continent is expected to be home to 38 of the 40 youngest countries in the world by 2050, and its total population is projected to more than double by then. The continent also has the fastest growing working-age population. More than 10 million young people will enter the labour market each year until 2030.[43]

51. Africa's youth bulge offers tremendous potential for the economic and social transformation of the continent. Africa needs to take full advantage of its demographic transition because of the potential economic and societal benefits. That demographic transition can contribute to boosting future economic growth and shared prosperity. As part of the demographic dividend, benefits will be derived from an increased labour supply, increased savings owing to a reduction in the number of dependants, increased domestic demand due to higher GDP per capita, and human capital development.

52. Investments in quality education, health, skills development and the promotion of youth entrepreneurship will be required to realize those benefits. However, a lack of adequate education and a mismatch between the labour market and school curricula contribute to high levels of youth unemployment across the continent. Furthermore, the levels of poverty among working youth have been consistently higher than among the working adult population.[44] Those trends engender a risk of persistent high youth unemployment and instability. Thus, in order to reap the demographic dividend, African countries need to design and implement policies and strategies to unlock that dividend and explore new economic opportunities.

E. Social protection

53. Social protection plays an important role in reducing poverty and inequalities and in building human capital. Investment in social protection schemes is increasing in Africa. The continent currently has social protection coverage of 20 per cent. The number of countries with unconditional cash transfer programmes increased from 21 in 2010 to 40 in 2014, reaching 50 million people.

54. However, coverage by social security schemes is limited to workers in the formal sector. Only about 10 per cent of sub-Saharan Africa's economically active population is covered by those schemes, and less than 1 per cent of the unemployed population of Africa receives any form of support. In some instances, coverage is declining as a result of increasing informalization.[45] Several countries in the region are unable to provide comprehensive unemployment benefits to affected population groups, partly because of the magnitude involved, low revenue collection and cost to the treasury.

55. To eradicate poverty, reduce inequality, invest in human capital formation and ensure that no one is left behind, African countries need to progressively expand the coverage of social protection schemes, including social protection floors. They also need to ensure the fiscal sustainability of social protection schemes, reduce

---

[42] *World Population Prospects: The 2017 Revision*.
[43] AfDB, OECD and UNDP, *African Economic Outlook 2017*.
[44] *2017 Africa Sustainable Development Report*.
[45] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

fragmentation and improve the administrative capacity and targeting of social protection schemes.

IV. Promoting social and economic development through infrastructure development

56. Both the 2030 Agenda and the first 10-year implementation plan (2014–2023) of Agenda 2063 emphasize the important contribution of infrastructure development to economic development, job creation, poverty eradication, reductions in inequality, increased agricultural productivity and sustainable urbanization. Infrastructure is recognized as the backbone of inclusive economic development in Africa.

57. However, many African countries face critical infrastructure deficits, in particular in the quantity, quality and access dimensions of infrastructure. For instance, in terms of transport infrastructure, road density has declined over the past 20 years. In terms of energy infrastructure, little progress has been made in over two decades with respect to per capita electricity-generation capacity. As a result, only 35 per cent of the population had access to electricity in 2014, with rural rates being less than one third of urban rates. Water resources are underused, with only 5 per cent of agriculture under irrigation.[46]

58. Africa's infrastructure deficits increase production and transaction costs, reduce market competitiveness, deter foreign direct investment and slow the pace of inclusive economic and social development. For instance, the unit cost of energy in rural areas of Africa is between 60 and 80 times greater than in urban areas of the developed world. The shipment of one ton of freight in Africa costs between $0.05 and $0.13, compared to between $0.01 and $0.04 in developed countries.[47]

59. Notwithstanding the general infrastructure deficits, notable progress has been made in some areas. Access to telecommunications has improved dramatically, with the number of land line and mobile phone subscriptions rising from 3 per 1,000 people in 1990 to 736 per 1,000 people in 2014. The number of Internet users also increased from 1.3 per 100 people in 2005 to 16.7 per 100 people in 2015, and access to safe water increased from 51 per cent in 1990 to 77 per cent in 2015.[48]

60. Reducing Africa's infrastructure deficits would speed up economic growth through increased productivity and allow for greater economic diversification, the generation of new opportunities in the manufacturing and services sectors and the expansion of intraregional trade. Sub-Saharan Africa's GDP per capita would grow by an additional 1.7 percentage points per year if the region were to close the infrastructure gap in terms of quantity and quality with the rest of the developing world.[49]

61. Given the important role of infrastructure in Africa's development, in 2012 African leaders adopted the Programme for Infrastructure Development in Africa as a strategy for infrastructure transformation for the period 2012–2040. The Programme envisages the development of highways, railways, ports and interconnected power grids. It also seeks to boost hydroelectric power generation capacity and the capacity of ports. When fully implemented, the Programme will undergird Africa's structural transformation and be a catalyst for job creation, skills development, regional

[46] Punam Chuhan-Pole and others, *Africa's Pulse*, vol. 15 (Washington, D.C., World Bank Group, 2017).

[47] United Nations, Office of the Special Adviser on Africa, "Financing Africa's infrastructure development", policy brief (2015).

[48] Punam Chuhan-Pole and others, *Africa's Pulse*.

[49] Ibid.

integration and intra-African trade. It will also attract foreign direct investment and tourism.

62. Overall, the Programme for Infrastructure Development in Africa has contributed to the boosting of investment in infrastructure in Africa through public-private partnerships that include the private sector, donors, Governments and pension funds. Individual countries, such as Côte d'Ivoire, Ethiopia and Kenya, have also ramped up investment in public infrastructure projects. Public infrastructure investment in Africa rose by an average of around 3 per cent of GDP in 2014 and were projected to remain at that level during the period 2015–2019.[50]

V. Governance and peace and security

63. Good governance and peace and security are critical preconditions for achieving structural transformation, poverty eradication and social progress. Good governance is the ability of Governments and other public institutions to achieve results and meet the expectations of their citizens regarding the delivery of public goods, services and economic opportunities. Recent data show that citizens of African countries tend to have low rates of net satisfaction with their public services compared with the rest of the world.[51] High levels of unemployment and inadequate health care and education have been identified as the most pressing issues that Governments should prioritize. Public expectations for quality, accessible and affordable infrastructure have been on the rise since 2008.

64. In terms of political governance, citizens of African countries are increasingly demanding higher standards of integrity within public institutions, as manifested by the slight increase in public protests in the form of strikes and demonstrations beginning in 2016. Between 2011 and 2016, dissatisfaction with political arrangements was one of the main reasons for public protests in Africa. Most of those protests called for more accountability and justice in public management systems and for fairer elections.[52]

65. Africa has shown progress in economic governance through a continued commitment to improving macroeconomic management and the business environment for private sector competitiveness and market expansion. Governments have taken initiative in the form of regulatory reforms to make starting or running a business easier and have been using digital technologies to reduce the time spent on and the cost of bureaucracy.

66. Similarly, African countries have made advances in overall governance by supporting the African Peer Review Mechanism, a voluntary self-assessment tool designed to promote more effective governance across four thematic areas: democracy and political governance, corporate governance, economic governance and management and socioeconomic development. By January 2017, 36 African countries had voluntarily acceded to the Mechanism and 20 of them had completed their self-assessments and been peer reviewed by the African Peer Review Forum, which is composed of Heads of State and Government.[53]

67. Regarding peace and security, three challenges exist in Africa: climate change, conflict and forced migration. Integrated, holistic and comprehensive approaches are

---

[50] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

[51] Ibid.

[52] Ibid.

[53] See https://au.int/sites/default/files/decisions/32520-sc19553_e_original_-_assembly_decisions_621-641_-_xxviii.pdf .

recommended for tackling those challenges, especially in regions where they are strongly intertwined, such as the Lake Chad Basin and the Horn of Africa.

68. The United Nations and the African Union are making progress in institutional coordination towards advancing peace and security in Africa. Within the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security of April 2017,[54] the African Union Commission and the United Nations will strive to collaborate, through joint mechanisms and regular consultations, from the earliest indication of conflict in Africa.

69. Africa continues to improve institutions and regulatory environments in line with NEPAD governance objectives and priorities. That includes improving the delivery of public goods and services, tackling corruption and combating illicit financial flows. Illicit financial flows, tax evasion and trade mispricing reduce public resources that could be used for promoting sustained, equitable and inclusive development, in particular investments in education, health and job-creating industries. Each year, over $50 billion leaves Africa illicitly.[55] Africa and its development partners should join forces to combat cross-border illicit financial flows.

VI. Partnerships and resource mobilization

70. The successful implementation of the 2030 Agenda and Agenda 2063 depends on the ability of African countries to mobilize sufficient domestic resources, foreign direct investment and official development assistance. Highly indebted poor countries in Africa also need to reduce their debt burdens. To date, 30 countries have received the full amount of debt relief for which they are eligible under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative.[56] For infrastructure alone, Africa needs around $94 billion in investments per year over a 10-year period.[57] To meet Africa's financing needs, countries are increasing their domestic resource mobilization efforts. Domestic revenues increased annually from 2005 to 2015, reaching a peak of $561.5 billion in 2012.[58] Recently, average gross domestic savings increased to 16.1 per cent of GDP in 2016, from 15.0 per cent in 2015. In absolute terms, however, domestic tax revenue is expected to decline to $444 billion in 2016, from $514 billion in 2012.[59] And with the slump in commodity prices, tax revenue in commodity export-dependent countries has slowed, underscoring the imperative for such countries in Africa to diversify their economies.

71. Official development assistance (ODA) continues to play an important role in Africa's sustainable and inclusive development efforts. In 2016, net ODA flows from member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development reached $27 billion, of which $24 billion was for sub-Saharan Africa. In real terms, net ODA to Africa and sub-Saharan Africa fell by 0.5 per cent and 0.7 per cent, respectively, compared with 2015.[60] For Africa's 34 least developed countries, ODA remains the largest source of external financing,

[54] Available from https://unoau.unmissions.org/sites/default/files/signed_joint_framework.pdf.

[55] See "Illicit financial flow: report of the High-level Panel on Illicit Financial Flows from Africa", report commissioned by the African Union Commission and Economic Commission for Africa (ECA), 2011. Available from www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf.

[56] See www.worldbank.org/en/topic/debt/brief/debt-relief.

[57] *Economic Report on Africa 2017: Urbanization and Industrialization for Africa's Transformation* (United Nations publication, Sales No. E.17.II.K.1).

[58] AfDB, OECD and UNDP, *African Economic Outlook 2017*.

[59] *Economic Report on Africa 2017*.

[60] OECD, "Development aid rises again", 11 April 2017. Available from www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2016-detailed-summary.pdf.

constituting more than 50 per cent of their inflows. Except for resource-rich countries, foreign direct investment in Africa's least developed countries remains low.[61]

72. In addition to improvements in domestic revenues, increases in foreign direct investment (FDI) and remittances have been observed. FDI inflows steadily rose, from $48 billion in 2011 to $66 billion in 2016.[62] Similarly, remittances increased from $57 billion in 2011 to $66 billion in 2016.[63]

73. Despite Africa's strong economic performance, the mobilization of tax revenue is adversely affected by low per capita incomes, a large informal sector and very small manufacturing and service sectors. Large leakages through illicit financial flows also constitute a significant drain on domestic resource mobilization efforts.[64]

74. To boost domestic resource mobilization, Governments must strengthen public institutions and tax systems, expand the tax base, address the challenges of the informal sector and fight tax evasion and avoidance. Development partners can assist countries through effective financial and technical support to build domestic tax collection and administration capacity. Along with domestic reforms, international cooperation is needed to address transfer mispricing and other forms of illicit financial flows. In addition, focus should be placed on investment and the use of trade-oriented ODA to unlock and leverage domestic resources, which would contribute to addressing the myriad challenges hindering inclusive and pro-poor economic transformation, including extreme poverty, social exclusion and deprivation and the ongoing impact of climate change.

VII. Progress in ensuring a coherent and coordinated implementation of Agenda 2063 and the 2030 Agenda

75. African Heads of State and Government adopted Agenda 2063 in January 2015 and, in September of the same year, global leaders adopted the 2030 Agenda. The Common African Position on the post-2015 Development Agenda informed both agendas. Those global and regional agendas offer a great opportunity for Africa to transition towards a transformative and people-centred sustainable development trajectory that integrates the three pillars of sustainable development — economic, social and environmental. A coherent and coordinated implementation of the two agendas to address the region's priorities and pressing needs is therefore of paramount importance. Achieving the aims of both agendas will also require effective and strong partnerships with the private sector, civil society and philanthropic organizations.

76. Progress in those areas was underscored during the ninth joint annual meetings of the Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration of the African Union and the Conference of African Ministers of Finance, Planning and Economic Development of the Economic Commission for Africa, held in April 2016 on the theme "Towards an integrated and coherent approach to the implementation, monitoring and evaluation of Agenda 2063 and the Sustainable Development Goals" (see E/ECA/CM/49/3). African policymakers underscored the importance of adopting a coherent strategy for the effective and coordinated implementation of, reporting on and follow-up to the two agendas. In particular, policymakers urged institutions such as the Africa Regional

[61] United Nations, "State of the least developed countries 2017: follow up of the implementation of the Istanbul Programme of Action for the Least Developed Countries" (New York, 2017).
[62] *Economic Report on Africa 2017*.
[63] AfDB, OECD and UNDP, *African Economic Outlook 2017*.
[64] ECA, "Strategies for mobilizing domestic resources and investments for structural transformation" (Addis Ababa, 2016).

Forum on Sustainable Development to develop a common platform for follow-up and to review progress in implementing the agendas.

77. Doing so will require a coherent strategy and an integrated set of goals, targets and indicators, along with a harmonized review and reporting platform. The implementation of the two agendas requires improved capacity at all levels and sufficient financial and non-financial resources. In particular, domestic resources should be the main source of financing. African ministers also recognized the role of regional integration through the regional economic communities in the implementation of both development agendas.

VIII. Conclusions and recommendations

78. Going forward, combating inequality is a necessary step to eradicating extreme poverty everywhere and achieving other Sustainable Development Goals. Therefore, countries must prioritize policies and strategies that promote structural economic transformation; inclusive, equitable, sustained and sustainable growth; employment creation; and social protection. Countries should also modernize agriculture by boosting yields and productivity per worker and investing in infrastructure facilities. Finally, countries should promote equal access to quality education and health services and promote women's empowerment and gender equality.

79. To further promote social progress in Africa, the Commission may wish to consider the following recommendations:

(a) **African countries should actively promote inclusive structural transformation through industrialization and increased agriculture productivity;**

(b) **To leave no one behind, countries should adopt strategies to address social exclusion and inequality based on gender, ethnicity, disability status, age and area of residence, and scale up the provision of social protection schemes, including social protection floors;**

(c) **African countries should invest in human capital development and innovation to unlock Africa's potential. To harness the demographic dividend, countries need to invest in quality education and health care and in skills development, including vocational and professional training, that will empower young people, in particular young women and girls, in all sectors of life;**

(d) **To stimulate sustained and inclusive economic growth and social development, African countries should invest in world-class infrastructure and deepen domestic resource mobilization, including by curbing illicit financial flows, in collaboration with development partners, including the private sector;**

(e) **African countries should advance peace and security and foster good governance by improving their regulatory environments and strengthening their institutional capacity, including mechanisms for monitoring progress towards the achievement of development goals;**

(f) **Development partners, including the United Nations system, should continue to promote, support and facilitate the implementation of Africa's development priorities as set out in Agenda 2063 and the 2030 Agenda.**