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Social dimensions of the New Partnership for
Africa’s Development

Report of the Secretary-General

Summary

The present report is submitted pursuant to Economic and Social Council resolution 2019/5 to review progress made in the social dimensions of the New Partnership for Africa’s Development. It provides an overview of progress in and challenges to social development, including poverty eradication and inequality reduction; food security and improved nutrition; access to adequate social protection, decent employment, quality education, health care, other basic services and infrastructure; and good governance. Also discussed are partnerships and resource mobilization, as well as the progress made in ensuring a coordinated implementation of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want. The report contains policy recommendations on accelerating the sustained development of Africa.
I. Introduction

1. The New Partnership for Africa’s Development (NEPAD), adopted in 2001 by the African Union, has provided a vision and policy framework for Africa’s development and integration into the world economy. The goals of NEPAD have since been absorbed by the 2030 Agenda for Sustainable Development and the African Union’s Agenda 2063: The Africa We Want, generating further momentum for action towards an inclusive, prosperous and peaceful world, where no one is left behind, including in Africa. This recurring report on the social dimensions of NEPAD contains a review of advances made in reaching the social goals contained in the 2030 Agenda and Agenda 2063, including those related to poverty, inequality, employment, education, health, food security, gender, water and sanitation, energy, infrastructure and governance. It also highlights the progress made by United Nations bodies in achieving a comprehensive approach with regard to the planning and implementation of social development programmes in Africa.

II. Overview of social development

2. Africa has made advances in the areas of human and social development but progress is uneven and slow. Nine African countries are among those that have recorded the largest improvements in social progress since 2014, according to the Social Progress Index, a comprehensive measure of a country’s social and environmental performance based on 51 indicators. Many least developed African countries still lag far behind, however, with 9 of the lowest-scoring 11 countries in sub-Saharan Africa.

A. Poverty and inclusive growth

3. Income poverty has been falling in Africa, with the rate of extreme poverty – the proportion of the population that lives on less than $1.90 a day – decreasing from 45.5 to 35.1 per cent between 1990 and 2015. While extreme poverty declined very rapidly in Northern Africa, from 12.9 per cent in 1990 to 2.2 per cent in 2015, it did so at a much slower pace in sub-Saharan Africa, where it fell from 54.7 to 41.4 per cent during the same period. Consequently, sub-Saharan Africa has the highest level of extreme poverty in the world, with data in 2018 in almost 60 per cent of its 47 countries exhibiting rates above 40 per cent, including 9 countries with rates above 60 per cent. Extreme poverty is pervasive in Africa even among those who have a job, as almost one third of workers (32 per cent) were living on less than $1.90 per day in 2018. The countries with very high extreme poverty tend to be least developed countries and countries in fragile situations.

4. Through a multidimensional lens, which looks at people’s deprivations in indicators of health, education and standard of living, the extent of poverty is even greater in Africa. Despite the fact that it has decreased significantly, the incidence of multidimensional poverty, which represents the proportion of people who are

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1 Angola, Burkina Faso, Côte d’Ivoire, Djibouti, Eswatini, Ethiopia, Gambia, Ghana and United Republic of Tanzania.
5 Fund for Peace, Fragile States Index database. Available at https://fragilestatesindex.org/.
multidimensionally poor, is still high in sub-Saharan Africa – 57.5 per cent on average in 2019,\textsuperscript{6} down from 60.1 per cent in 2017.\textsuperscript{7}

5. Economic growth, which is still fuelled in many countries mainly by commodity and mineral exports, has been an important factor supporting income and non-income poverty reduction in Africa. The growth, however, was neither sustained nor inclusive. Indeed, growth has slowed recently due to the global reduction in commodity prices, triggering a number of adverse effects, such as fiscal tightening that limits governments’ ability to spend on social programmes, thereby slowing the rate of poverty eradication, as well. In addition, Africa’s growth has not translated into rapid structural transformation and job creation, and it has been accompanied by an increase in inequality, as it has not benefited all. For instance, the capital-intensive minerals sector usually creates few jobs and is disconnected from the rest of the economy.

6. Sub-Saharan Africa is facing not only slowing growth, from 3.4 per cent in 2017 to 3.2 per cent in 2018,\textsuperscript{8} but also high population growth. The combination of these two factors has resulted in an increase in the numbers of people living in poverty, despite falling rates. In sub-Saharan Africa, the number of extreme poor grew from 280 million in 1990 to 413 million in 2015, which is more than the figure for the rest of the world combined.\textsuperscript{9} The number of multidimensionally poor people has also increased in the most populous countries, such as the Democratic Republic of the Congo, Ethiopia and Nigeria.

7. With a high starting level and slow pace of decline, extreme poverty, which has even increased in some countries, is projected to still be above 20 per cent in 2030 in 23 sub-Saharan African countries.\textsuperscript{10} Without significant changes in policy to accelerate poverty eradication efforts, it is unlikely that the region will eradicate poverty by 2030.

B. Inequality, including gender inequality and women’s empowerment

8. Income inequality is high in Africa, in general, and in sub-Saharan Africa, in particular. In 2018, two thirds of sub-Saharan countries had income Gini coefficients above 0.40, with countries in Southern Africa showing coefficients above 0.50 in general.\textsuperscript{11} High income inequality is observed irrespective of the level of development of the countries, and it seems to persist despite the recent economic growth and improvements in the level of human development experienced by many countries. When compared with countries in other regions that have similar levels of per capita gross domestic product (GDP), African countries exhibit the highest income inequality, meaning that Africa generally tends to exhibit higher income inequality than the rest of the developing world.\textsuperscript{12} Although income inequality is not systematically rising in Africa, the number of extremely wealthy Africans is

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\textsuperscript{11} World Bank, Sub-Saharan Africa.
increasing. The three richest Africans have more wealth than the bottom 50 per cent of Africa’s population, approximately 650 million people.  

9. Inequality of opportunities in access to decent employment, basic social services (education, health and water) and productive resources, such as land, finance, infrastructure and technology, is also high. Inequality of opportunity is driven mainly by the inadequacy of public resources devoted to the provision of core public services, weak and poorly resourced public institutions, poor governance and continued challenges related to managing the diversity of populations. The interplay of these factors accounts for about 40 per cent of overall income and asset inequality on the continent. Spatial inequalities in levels of economic development and well-being account for a large share of inequality of opportunities. For instance, standards of living in rural areas almost universally lag behind those of urban areas.

10. Gender is another important marker of inequality. Significant progress was made in women’s empowerment in Africa over the past decade. For instance, between 2008 and 2017, sub-Saharan Africa made the highest number of reforms (71) to laws and regulations increasing gender equality in many areas, such as allowing free movement, facilitating return to work after pregnancy and improving access to credit for women to start or run a business. In Northern Africa, female age at first marriage has increased significantly to 25 years, on average, driven by progress in the level of education attained by women and the search for job opportunities. There has been marginal progress in the participation of women in sub-Saharan African parliaments. The proportion of women in both houses increased from 23.7 per cent in 2018 to 24.1 per cent in September 2019. 

11. Despite the above advances, persistent gender gaps in empowerment remain. Large gaps in productivity and earnings persist, and these gaps are very costly to African countries. Women continue to marry early in sub-Saharan Africa, with over a third (37.2 per cent) of women between 20 and 24 years of age having entered a union before age 18. Early pregnancy is also most prevalent in sub-Saharan Africa, where 27.8 per cent of women between 20 and 24 years of age have given birth before age 18. Not only are early pregnancies and motherhood associated with increased risks of maternal and infant mortality, but they also limit the level of education and occupational prospects of adolescent girls. Other issues facing African women and girls include high levels of family or intimate partner violence; discriminatory inheritance laws; and lower access to financial assets and services (such as opening a bank account), decent and paid work, and social protection. The total losses in human capital wealth (expected earnings) from gender inequality were estimated at $2.5 trillion in sub-Saharan Africa in 2014, representing 11.4 per cent of the base wealth of the region. 

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15 Shimeles and Nabassaga, “Why is inequality high in Africa?”.
C. Employment

12. The decade of strong economic growth experienced by many African countries has not translated into significant employment creation. Economic growth is projected to increase to 3.9 per cent in 2019 and 2020, up from 3.4 per cent in 2018. By contrast, employment growth is estimated to decrease to 2.9 per cent in 2019 and 2020, from 3.0 per cent in 2018. Africa’s working-age population is projected to increase to almost 1 billion by 2030. At the current rate of labour force growth, Africa needs to create about 12 million new jobs every year to prevent unemployment from rising.

13. Africa’s unemployment rate was 6.8 per cent in 2018 and is projected to stay the same until 2020, with Northern Africa’s rate (11.8 per cent) twice as high as sub-Saharan Africa’s (5.9 per cent). Africa’s low rate is not the result of a well-performing labour market, but rather the pressure people are under to take up any employment opportunity, regardless of the working conditions, in order to meet their basic needs and escape poverty. As a result, the majority of the employed population is working in vulnerable and informal jobs characterized by low pay, poor quality, insecurity and a lack of social protection. On average, informal employment accounts for about 86 per cent of total employment in Africa, the highest in the world. Wage and salaried workers represent only 28 per cent of total employment, with the share being much higher in Northern Africa (69 per cent) than in sub-Saharan Africa (22 per cent).

14. In Northern Africa, unemployment is particularly high among youth and women, with young people being 3.5 times more likely than adults to be unemployed and the unemployment rate for women more than twice that of men. In sub-Saharan Africa, women remain much more vulnerable to informality than men because they are more likely to be contributing family workers. An estimated 33 per cent of working women are contributing family workers, compared to only 15 per cent among working men.

15. Much of Africa’s economic growth has come from the capital-intensive extractive sector and from low-paying service sector jobs. A significant structural transformation of African economies through industrialization offers the best opportunity for creating sufficient decent jobs that can increase employment and absorb the projected growth in the labour force. Agriculture is also a potential source of job opportunities for youth, especially with the help of information and communications technologies, which can contribute to increases in agricultural labour productivity through such channels as mechanization and the monitoring of weather conditions. These technologies can also improve agronomic practices by facilitating the extension of markets and increasing farmers’ access to them.

D. Education and health

16. Despite increases in government spending for primary education, which resulted in improvements in primary school enrolment, sub-Saharan Africa continues to have

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24 ILO, World Employment and Social Outlook.
the highest rates of education exclusion. About one fifth (19 per cent) of primary school-age children, over one third (37 per cent) of lower secondary school-age adolescents and more than one half (58 per cent) of upper secondary school-age youth, were out of school in the region in 2018. The corresponding rates are much lower in Northern Africa, at 9, 14 and 30 per cent, respectively. In terms of numbers, sub-Saharan Africa is home to more than half (32 million) of the world’s 59 million out-of-school children of primary school age, almost half (28 million) of the world’s 62 million out-of-school adolescents and 27 per cent (37 million) of the world’s 138 million out-of-school youth.26

17. Gender disparities in educational access and attainment are wide, with girls more likely to be permanently excluded from education. Across sub-Saharan Africa, 4 million girls will never attend school compared to 2 million boys. In Northern Africa, the female disadvantage is greater: 1 out of 3 out-of-school girls will never receive any formal education compared with 1 out of 25 boys. The quality of education also tends to be low, with only 1 in 10 students reaching a minimum level of proficiency in reading and mathematics by the end of primary school in sub-Saharan Africa. The proportion of trained teachers in the region has also been declining since 2000 so that only 64 per cent of primary and 50 per cent of secondary school teachers had the minimum required training in 2017.

18. Providing quality universal education has been on the agenda of many African Governments, but public expenditure towards that goal is generally insufficient and is therefore supplemented by private spending and, in some cases, scholarships for study either within countries or abroad. Recently, there has been a growing trend of African students studying in China and India, underscoring the complementary role of South-South cooperation. Since 2000, the Forum on China-Africa Cooperation has been providing scholarships for short-term training and long-term university studies in China to African professionals and students. The pledged number of scholarships has increased from 30,000 in the period 2016–2018 to 50,000 in the period 2019–2021.27

19. The health of Africa’s population has improved owing to investments targeting the most pressing health needs. Between the periods 2010–2015 and 2015–2020, the infant mortality rate declined from 56 per 1,000 live births to 47 per 1,000 live births; the under-5 mortality rate declined from 84 per 1,000 to 71 per 1,000; and life expectancy at birth increased from 60.3 to 62.7 years.28 Maternal mortality has also declined, with the maternal mortality ratio decreasing by 54 per cent in sub-Saharan Africa and 38 per cent in Northern Africa between 2000 and 2017. While the maternal mortality ratio is now at moderate levels in Northern Africa (estimated at 112 maternal deaths per 100,000 live births in 2017), it is still high in sub-Saharan Africa (542 maternal deaths per 100,000 live births in 2017).29

20. Lower respiratory tract infections, HIV/AIDS and diarrhoeal diseases are the leading causes of morbidity and mortality. Between 2000 and 2015, levels of morbidity and mortality significantly decreased owing to reductions in malaria, HIV/AIDS and diarrhoeal diseases. Nonetheless, countries need to scale up interventions associated with noncommunicable diseases before they become major causes of morbidity and

mortality because the reductions in morbidity and mortality in Africa are lowest in relation to these conditions.\textsuperscript{30}

21. Deadly viral diseases such as Ebola virus disease pose an additional threat to the health of Africans. On 21 October 2019, 10 countries – Angola, Burundi, Central African Republic, Congo, Democratic Republic of the Congo, Rwanda, South Sudan, Uganda, United Republic of Tanzania and Zambia – endorsed a joint framework to strengthen cross-border collaboration on preparedness and response to Ebola virus and other disease outbreaks. Such a mechanism, with its sharing of assets, is expected to contribute to the mitigation of suffering and minimize the social and economic impact of outbreaks.\textsuperscript{31} The framework does not contain any funding commitment for emergency response and preparedness, but the Contingency Fund for Emergencies of the World Health Organization (WHO), which was set up in 2015, allows WHO to respond rapidly to disease outbreaks and health emergencies, saving lives and reducing long-term costs. Donors contributed $38 million in 2018, more than three times the amount contributed in 2017.

22. The quality of health services and performance of the health system are generally low in Africa. Countries are able to provide only 48 per cent of the health and health-related services that their populations need. In addition, health systems are only performing at 49 per cent of their potential levels of functionality. To reach the sustainable development goal target of achieving universal health coverage, countries need to not only increase the availability of services and eliminate financial barriers to accessing health services but also improve the performance of their health systems, so as to reach underserved groups.\textsuperscript{32}

E. Food security and agriculture

23. Hunger has been rising in Africa, with the prevalence of undernourishment increasing from 18.3 to 19.9 per cent between 2015 and 2018. In sub-Saharan Africa, the prevalence increased from 20.9 to 22.8 per cent. The number of undernourished people in Africa also rose steadily, from 218 million in 2015 to 256 million in 2018, with more than 90 per cent living in sub-Saharan Africa.\textsuperscript{33}

24. Food insecurity, which looks beyond hunger and measures how many people do not have access to nutritious and sufficient food, is at much higher levels, affecting more than half of the population of Africa, and it is also increasing. Between 2015 and 2018, the prevalence of severe or moderate food insecurity in the total population rose from 48.3 to 52.5 per cent in Africa, from 54.2 to 57.7 per cent in sub-Saharan Africa, and from 22.9 to 29.5 per cent in Northern Africa. The number of people who are exposed to food insecurity in Africa also rose during this period, from 577 million to 676 million, with more than 90 per cent living in sub-Saharan Africa in 2018.

25. Child malnutrition in all its forms continues to be a challenge despite some recent progress. The prevalence of child stunting decreased slightly from 32 per cent in 2015 to 30 per cent in 2018, but the number of stunted children increased from 50.5 million to 58.8 million during this period. The latter number corresponds to more


\textsuperscript{32} WHO, Regional Office for Africa, \textit{The State of Health in the WHO African Region}.

than one third (39 per cent) of the world’s stunted children. The proportions of overweight children under 5 have started declining, too, from 6 per cent in 2015 to 4.9 per cent in 2018, but Africa contained the two subregions with the highest rates of overweight children in the world in 2018 – Northern Africa (10.6 per cent) and Southern Africa (13 per cent).34,35

26. These trends stress the difficulty of ending hunger and achieving food security and improved nutrition in Africa by 2030. Conflicts and extreme weather events are among the leading causes of food crises on the continent. Indeed, Africa is disproportionately affected by climate change. In many countries, which are already some of the world’s poorest and most fragile nations, longer periods of drought have transformed the daily lives of farmers and local communities, with a huge cost in crops and livestock. The recent increase in poverty in Uganda, from 35.9 per cent in 2012 to 41.6 per cent in 2016, is attributed to droughts and a pest infestation.36 In addition, economic slowdowns undermine food security and nutrition, especially where inequalities are greater.37

27. Given that, in Africa, more than half of the population resides in rural areas and the agricultural sector accounts for significant shares of employment and output, agriculture has a pivotal role to play in Africa’s development. Through the Comprehensive Africa Agriculture Development Programme and the 2014 Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, African leaders committed to boost investment in agriculture by allocating at least 10 per cent of public expenditures to the agricultural sector so as to raise agriculture productivity and rural incomes, reduce poverty, create jobs and increase opportunities, improve food security and nutrition, and strengthen resilience. The 2017 inaugural biennial report on the implementation of the Malabo Declaration, which described the performance of the African Union member States for the period 2015–2016, showed that only 20 out of the 47 countries that reported progress were on track for achieving the commitments made in the Programme and the Malabo Declaration by 2025.

28. The Programme and the Declaration have led to positive results in many countries. To address the economic slowdown experienced since 2006 as a result of the many shocks faced by its agricultural sector, Senegal, for instance, has been allocating more than 10 per cent of its GDP annually to agriculture since 2009 and has committed to transforming the sector. It has implemented the Agricultural Value Chains Support Project in the groundnut basin, a region where poverty and food insecurity significantly rose following a decline in global groundnut prices. The project was successful in increasing the commercialization of crops and has helped farmers shift to other activities, such as raising poultry and growing vegetables. Within the households that participated in the project, crop income and total income increased by 48 and 11 per cent, respectively.38

38 Ibid.
F. Social protection

29. Social protection has been shown to play a vital role in reducing poverty, inequality and social exclusion as well as in improving productive capacity through better access to food, health and education. Yet, social protection coverage is very low in Africa, with only 18 per cent of its population receiving a social protection benefit. Non-contributory social assistance is oriented mainly towards older persons. Contributory social insurance is largely confined to workers in the formal economy (less than 15 per cent of the economically active) and their families. Very little social protection is available to the most vulnerable, including those working in the informal sector, children, mothers with newborns, persons with disabilities, the poor, the unemployed and food-insecure people, especially those in rural areas. Access to health care is one of the most pressing problems needing social assistance in Africa.  

30. Most African countries have recently made social protection a priority and have adopted or are developing national protection plans. Many countries have also mainstreamed social protection into their national development plans. Such countries as Ethiopia, Uganda and the United Republic of Tanzania, which have taken a more holistic approach by linking social protection to productive sectors (for example, agriculture) and social sectors (health, education, water and sanitation), have been successful at achieving greater impacts on poverty and food security.

31. Many challenges exist, though, including high dependency on donors for funding and poor budget allocations to social protection, which makes funding unsustainable and difficult to scale up. Mauritius and South Africa are among the few African countries that finance their social protection spending through internal revenues. On average, such spending, excluding spending on health, constitutes only 5.9 per cent of GDP in sub-Saharan Africa and 7.6 per cent of GDP in Northern Africa.

32. In the future, African countries should invest more in social protection and prioritize extending it to workers in the informal economy as a way of formalizing and improving their working conditions. They should also develop social assistance schemes for vulnerable groups and implement universal health coverage systems.

G. Basic services and infrastructure

33. Access to safe drinking water and improved sanitation remains at a very low level in Africa despite the significant official development assistance directed towards this sector. In 2015, the proportion of the population with access to safe drinking water was just 23.7 per cent in sub-Saharan Africa, and the proportion with access to proper sanitation was 25.1 per cent in North Africa.

34. Several Africa-wide initiatives and commitments exist to scale up efforts to increase the availability and sustainable management of water and sanitation for all. A particular commitment is the Rural Water Supply and Sanitation Initiative, a regional effort launched in 2003 to improve access to water, sanitation and hygiene in rural Africa. At its inception as a regional cooperation framework, the aim of the Initiative was to support the attainment of the Africa Water Vision and the Millennium Development Goals. It now supports the implementation of the Sustainable  

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Development Goals, contributing to poverty reduction through improved and sustained access to and use of water and sanitation services by rural communities.

35. Substantial progress was made to increase the accessibility of water, sanitation and hygiene services in rural Africa. In 2017, basic services for drinking water reached about 263 million rural dwellers, while 129 million had access to sanitation and 67 million had a handwashing facility with soap at home. Large numbers of people in rural Africa still lack access to water, sanitation and hygiene services, however, including about 339 million people without basic drinking water, 473 million people without basic sanitation services and 535 million people without basic handwashing facilities at home.42

36. Regarding infrastructure, Africa suffers from poor quality and expensive infrastructure services compared to other parts of the world, which constrains productivity by up to 40 per cent and reduces the continent’s GDP by about 2 per cent per year.43 While nearly 9 out of 10 people had access to electricity in the world in 2017, only 44 per cent of the population had access in sub-Saharan Africa, corresponding to an estimated 573 million people lacking electricity.44

37. An estimated $81.6 billion was committed to infrastructure development in Africa in 2017, up from $66.9 billion in 2016. This volume of investment, however, is still far short of the $130 billion to $170 billion needed per year by 2025 if Africa is to close its infrastructure gap. The biggest investors were African national and subnational governments, whose funding increased from $30.7 billion in 2016 to $34.4 billion in 2017, followed by Chinese investments, which rose from $6.4 billion to $19.4 billion. In Africa, countries with sound institutional arrangements and bankable projects attract more investments from both public and private sector finance. Moreover, new financial instruments, such as blended finance and development capital, are being offered in addition to conventional instruments such as grants and loans.45

38. A significant part of this investment is going into support for the Programme for Infrastructure Development in Africa, the African Union continental framework for regional infrastructure. In order to boost intra-African trade and raise the continent’s competitiveness in the global economy, the Programme sets out short-term goals to be achieved by 2020, medium-term goals to be achieved by 2030 and long-term goals to be achieved by 2040. While still small, intra-African trade has grown and reached 4.5 per cent of Africa’s total GDP in 2013, up from 2.6 per cent in 1995. It is estimated that the African Continental Free Trade Area will further boost the value of intra-African trade by 15–25 per cent by 2040 and that it will boost economic output by $29 trillion by 2050.46 The success of the Free Trade Area, however, will be dependent on Africa’s ability to create and sustain the infrastructure needed for people and goods to flow easily across the continent, which the Programme is expected to realize as it takes an integrated approach to infrastructure development.

39. The first phase of the Programme’s Priority Action Plan, which is a set of priority projects and programmes in energy, transport, transboundary water management and information and communications technologies to be implemented through 2020, requires investments of $68 billion. Ninety-five per cent of the total

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42 Ibid.
44 The Sustainable Development Goals Report 2019 (see footnote 9).
funding is set to go to energy and transport, the two sectors that need the most transformative investments to support African trade and integration, promote growth and create jobs. The Action Plan has achieved impressive results, including: (a) constructing 16,066 km of roads and 4,077 km of railways; (b) building 3,506 km of transmission lines for the power grid; (c) connecting 17 countries to regional fibre-optic cables; and (d) creating 112,900 direct jobs and 49,400 indirect jobs through the construction and operation of projects under the Programme.

H. Good governance

40. The African Union established the African Peer Review Mechanism in 2003 as an instrument for the monitoring of governance performance among member States and the application of lessons learned. Its mandate has been extended to include monitoring of the implementation of the Sustainable Development Goals and Agenda 2063, and taking the lead in the preparation of the Africa Governance Report, which assesses the state of governance in Africa. By February 2019, 37 African Union members had joined the Mechanism, of which 21 had undergone reviews.

41. According to the Mechanism, the state of governance in Africa has generally improved. Countries have recorded the greatest gains in socioeconomic development and in satisfactory performance in the area of economic governance and management and corporate governance. Countries have recorded the least gains in democracy and political governance, though some progress has been noted, with many countries now having more regular elections, more political parties and greater political space.

42. Good management of huge natural resource endowments to bring about a structural transformation of African economies remains one of the biggest challenges facing African countries. Good natural resource governance requires that institutions – public and private, formal and informal – have the mandate and capacity to manage resources efficiently and to formulate, implement and enforce sound policies and regulations. Accountability and transparency are paramount if institutions and their leaders are to make sound decisions that benefit the long-term growth and development of African countries.

43. Currently, many African countries are applying governance frameworks that are backed by donor countries and international institutions, such as the extractive industries transparency initiative known as the Kimberley Process. These arrangements are adding a layer of externally oriented accountability that does not always support mutual reinforcement of domestic institutions or intra-African cooperation and shared learning, which is what the Mechanism is designed to promote.

44. Greater engagement of the private sector is needed as part of wider governance reforms for the natural resources sector. The reforms should look at the management of private sector firms engaged in the natural resources sector, the capacity of government institutions to monitor and regulate private firms, the quality of legislation that is enabling and that also protects the public interest, and the issue of accountability and transparency.

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48 [Programme for Infrastructure Development in Africa](https://www.pidaprogressreport.org/) and others, “PIDA progress report”.
illicit financial flows. The entire value chain should be managed with transparency and the inclusion of all stakeholders, including parliament and civil society.

III. Partnerships and resource mobilization for social development

A. Domestic resources

45. Domestic resources remain the most important source of development finance and are key to fiscal sustainability and development planning as they are more predictable than external flows. Public resources also provide autonomy and policy space as they can be spent at the discretion of governments in pursuit of their own national development priorities. In terms of volume, they are by far the largest single source of revenue to governments.

46. Taxation plays a key role in domestic resource mobilization. In 2017, Africa received more than $520 billion in domestic tax revenues (up from $436.8 billion in 2015) compared to $193.7 billion in total external financial flows (up from $170.8 billion in 2016).\footnote{AfDB, \textit{African Economic Outlook 2019} (see footnote 23).} Tax revenues in the region (excluding those raised from the natural resources sector) grew from 13 per cent of GDP in 2007 to 16 per cent in 2017.\footnote{Financing for Sustainable Development Report 2019 (United Nations publication, Sales No. E.19.I.7).} This ratio is not sufficient, however, to meet revenue requirements, and it is much lower than that of the Organization for Economic Cooperation and Development (OECD) (24 per cent) and other emerging and developing countries. Both the narrow tax base due to the large informal sector and inefficiencies in revenue collection explain this low ratio.

47. To improve tax capacity, African countries should, in the medium to long term, make significant efforts to adopt the right fiscal policy stance, review and optimize tax policy, expand and deepen the tax base, implement specialized taxes (such as excise taxes to fund health care), enhance non-tax revenue collection, and improve tax administration and management by developing and modernizing institutions (through digitization, for instance). Government revenues could be increased by 12–20 per cent of GDP annually if the above fiscal reforms were implemented and tax evasion were prevented.\footnote{Economic Report on Africa 2019 (see footnote 8).}

48. Curbing illicit financial flows, which represent a huge drain on resources, and combating corruption can also rapidly and significantly boost domestic resource mobilization in Africa. It is estimated that Africa loses between $50 billion and $80 billion a year through illicit financial flows, mainly from commercial activities, such as tax evasion, incorrect invoicing in trade and abusive transfer pricing. Consequently, many countries have adopted policies and institutions and enacted laws to fight corruption and illicit financial flows. The most important drivers for positive change, however, are sustained political will and accountable leadership.\footnote{African Union Commission, “Domestic resource mobilization: fighting against corruption and illicit financial flows”, Advocacy Brief, 2019.}

B. Private flows

49. Remittances are the highest source of private capital inflows and represent almost twice the amount of portfolio investments to Africa. Remittances continue to
grow and reached $69 billion in 2017, up from $62 billion in 2016. From 2017 to 2018, remittances grew by over 9 per cent, from $42 billion to $46 billion for sub-Saharan Africa and from $57 billion to $62 billion for Northern Africa. Remittances received by most African countries through formal channels now exceed their inflows from official development assistance (ODA) and foreign direct investment (FDI). In addition, remittances transferred through informal channels could equal half of remittances through formal channels. As very high transfer costs and limited bank services within Africa do not encourage people to send remittances using formal channels, appropriate policies and regulations to lower the cost to transfer money, reform financial systems and improve the transparency of remittance-driven investments in Africa should be put into place to maximize remittance inflows, which are critical resources for financing development. 

Nigeria is the largest recipient of remittance inflows, receiving $24.3 billion in official remittances in 2018. Meanwhile, FDI inflows declined from their peak of $58.1 billion in 2008 to a 10-year low of $41.8 billion in 2017. The global financial crisis is a major cause of these reductions, along with the softening in demand and international prices for primary commodities, and global trade tensions. Investors have also been rebalancing their portfolios due to rising interest rates in developed economies.

C. Development cooperation

51. Aid remains a vital source of financing for development for Africa, in particular in least developed, fragile and conflict-affected countries. Unfortunately, development aid dropped in 2018, especially to least developed and African countries that need it the most. After increasing by 3.9 per cent between 2016 and 2017, ODA flows to Africa, and especially to sub-Saharan Africa, fell by 4 per cent in real terms between 2017 and 2018. In 2017, the net ODA disbursed to Africa reached $51.8 billion. ODA from most Development Assistance Committee members, however, remained well below the commitment of devoting 0.7 per cent of gross national income to ODA.

52. In 2017, the top 10 donors, disbursing 80 per cent of net ODA to Africa, were the United States of America, the European Union, the World Bank International Development Association, the United Kingdom of Great Britain and Northern Ireland, Germany, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the African Development Bank (AfDB), France, Japan and Canada. The top aid recipients, receiving almost half of the net ODA disbursements, were Ethiopia, Nigeria, the United Republic of Tanzania, Kenya, the Democratic Republic of the Congo, South Sudan, Uganda, Morocco, Mozambique and Somalia. OECD-Development Assistance Committee countries are increasingly channelling their assistance to sub-Saharan Africa through multilateral and civil society organizations.

53. Apart from traditional development assistance, flows from private foundations are becoming increasingly important, especially in the health, population and reproductive health sectors. South-South and triangular cooperation are expanding, as well, with regional economic communities, continental organizations (the African Union, the African Union Development Agency and AfDB) and United Nations bodies all playing an essential role in fostering South-South cooperation. For instance, the regional unit for Africa of the United Nations Office for South-South

60 OECD, *Development Co-operation Report 2018* (see footnote 10).
Cooperation has contributed to the formulation of an African Union strategic partnership between Africa and emerging powers. The unit works with the African Union Development Agency in shaping the policy framework for South-South cooperation.  

54. South-South cooperation can be intra-African or between Africa and the global South. In the educational and capacity-building sectors, intra-African cooperation examples include a project financed jointly by the West African Economic and Monetary Union and AfDB that harmonizes university education throughout West Africa; the Algerian scholarship programme that awarded 31,476 scholarships to students from African countries during the period 2000–2015; and the African Capacity-Building Foundation, which builds human and institutional capacity for good governance and economic development in Africa.

D. Debt relief

55. Debt relief is one part of development assistance targeted at low-income countries. It makes sure that debt sustainability is maintained over time. To date, 30 African countries have received full debt relief through the Heavily Indebted Poor Countries Initiative and its advancement, the Multilateral Debt Relief Initiative. Conditioned on sound economic management and poverty reduction strategies, these debt relief initiatives have generated positive economic and social development outcomes. For sub-Saharan Africa, the median public debt level as a percentage of GDP declined to about 31 per cent in 2012, well below the levels preceding the Heavily Indebted Poor Countries Initiative. With the additional money, African countries were able to boost social spending and improve debt management, contributing to poverty reduction. Three additional countries – Eritrea, Somalia and Sudan – are eligible for assistance under the Heavily Indebted Poor Countries Initiative. Somalia and the Sudan have large arrears that have to be cleared before the countries could start receiving debt relief under the above-mentioned initiatives.

56. In recent years, growing debt vulnerabilities and sustainability have again emerged as a major concern. Sub-Saharan African debt has been rising, putting a growing number of countries under debt distress. The median debt ratio as a percentage of GDP increased from 36 per cent in 2013 to 55 per cent in 2018. This growing public indebtedness is fuelled by both domestic and external debt. Almost half of the countries in sub-Saharan Africa were either in or at high risk of debt distress in 2018, compared with 22 per cent five years earlier, including the majority of countries that benefited from previous debt relief efforts.

57. African Governments and their development partners should take the necessary steps to address any vulnerabilities and contain the risks of a systemic crisis, including taking bold steps to strengthen governance around tax revenue collection, which would reduce the need for debt financing. Moreover, concerted international efforts and collaboration to combat illicit capital flows and repatriate stolen funds will significantly help in reducing development financing needs. Development banks should also be provided with increased capital so that they can play a bigger role in

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infrastructure financing in Africa, as loans for building infrastructure have played a big part in Africa’s rising debt.\textsuperscript{64}

IV. Enhancing the coordinated implementation of the 2030 Agenda for Sustainable Development and Agenda 2063

58. The present section highlights ongoing activities and specific interventions executed (usually jointly) by United Nations entities and the African Union on the implementation of the 2030 Agenda and Agenda 2063, focusing on three cross-cutting thematic areas of the joint African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development.

A. Advocacy for joint implementation

59. The successful implementation of the 2030 Agenda and Agenda 2063 requires a strong and sustained campaign to raise the awareness of policymakers and the public at large. There needs to be a good understanding of the content of both agendas and their relevance to country contexts and priorities. The African Union, the Economic Commission for Africa (ECA), the African Development Bank and the United Nations Development Programme (UNDP) jointly publish an annual report showing the substantial synergies and complementarities between the agendas.\textsuperscript{65}

60. The Office of the Special Adviser on Africa is providing support to the African Union Information and Communication Directorate for implementation of the Agenda 2063 communication strategy, while ensuring coherence with the 2030 Agenda. Support has been provided through high-level meetings, such as during the Africa Dialogue Series organized every year by the Office of the Special Adviser, which provide advocacy platforms for an effective and results-based implementation of the 2030 Agenda and Agenda 2063.

61. UNDP supports the African Union Commission, the regional economic communities and the member States in advancing field implementation of the 2030 Agenda and Agenda 2063 pertaining to economic transformation, financing and regional economic development through direct policy advocacy, participation in events, technical assistance for the formulation of an African Union private sector strategy and relevant support to the African Union Commission Department of Economic Affairs and Department of Trade and Industry on the African inclusive markets excellence centre and impact investment initiatives. The excellence centre aims to become the premier pan-African regional platform for thought leadership and action on inclusive business and inclusive markets, identifying, facilitating and replicating best practices and innovation in policy, programming and partnerships, with the ultimate goal of fostering inclusive growth and regional economic integration in Africa.\textsuperscript{66}

B. Strengthening national capacity

62. ECA, in partnership with the African Union Commission, the regional economic communities, the African Capacity-Building Foundation and UNDP, continues to lead the development of an integrated planning and reporting toolkit that will harmonize

\textsuperscript{64} IMF, “Debt relief under the heavily indebted poor countries”.

\textsuperscript{65} 2018 Africa Sustainable Development Report (see footnote 41).

the incorporation of the 2030 Agenda and Agenda 2063 into national development plans, reduce the transaction costs of reporting on both agendas, and track performance on national and internationally agreed development agendas. Compared with existing toolkits, the integrated planning and reporting toolkit has the advantage of being comprehensive, specific, flexible, forward-looking, web-based and able to track progress on both agendas. It has been tested using data from the results framework of the second growth and transformation plan of Ethiopia, for the period 2015–2019.67

63. UNDP has developed a tool and a guidance note on mainstreaming the Sustainable Development Goals, Agenda 2063, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction 2015–2030 into national development plans and other policy or strategic frameworks. National and joint African Union Commission-UNDP annual reports are used as a mechanism for monitoring and evaluation.

64. The subregional coordination mechanisms, which are coordinated by ECA, add a new dimension to coordinated and joint activities at the subregional level that are promoted by the regional economic communities and intergovernmental organizations, with technical and financial support from United Nations agencies and other development partners. In June 2019, participants in the sixth meeting of subregional coordination mechanisms for North Africa agreed on a revised joint road map to support implementation of the Sustainable Development Goals during the period 2019–2020. The road map covers five thematic areas: (a) awareness-raising, advocacy, monitoring and reporting on implementation of the 2030 Agenda and Agenda 2063; (b) employment; (c) food security; (d) climate change; and (e) regional integration, including implementation of the African Continental Free Trade Area. The framework for implementation and monitoring features detailed plans for each of the thematic areas.

65. The secretariat for the high-level political forum on sustainable development of the Department of Economic and Social Affairs has been providing support to countries in the preparation of voluntary national reviews. Such support has been delivered through preparation of a handbook on how countries can prepare and present their voluntary national reviews and through the organization of workshops and expert group meetings to create awareness about the two agendas and communicate how to mainstream the Sustainable Development Goals in the curricula of public administration schools. Every year, the voluntary national review reports have improved qualitatively, with countries adding more analysis to the description of progress in their reports. From 2016 to 2019, 36 African countries conducted voluntary national reviews, including 16 that participated for the first time in 2019.68

66. The United Nations and the African Union have agreed to work together on strengthening statistical capacities because many African countries currently have limited capacity to produce timely, accurate and disaggregated data and limited modalities for delivering data in a usable format to policymakers and other stakeholders. It is hoped that, through the African statistical system, African countries will be able to generate timely, reliable, and harmonized statistical information, covering all aspects of political, economic, social, and cultural integration for Africa. The system is facing a number of challenges, however, and the African Union Commission, ECA, AfDB, the African Capacity-Building Foundation, the regional economic communities and UNDP are partnering in training trainers to integrate the Strategy for the Harmonization of Statistics in Africa – a continent-wide effort that

addresses these challenges and supports the African integration agenda – into national and regional strategies for the development of statistics.

C. **Integrated monitoring and reporting frameworks**

67. The Regional Coordination Mechanism for Africa and the subregional coordination mechanisms constitute the framework for the United Nations system to work in support of the priorities of the African Union and its organs, including the regional economic communities and other regional and subregional organizations. The Mechanism is now serviced by a joint ECA-African Union Commission secretariat. The United Nations and the African Union have agreed on a common work programme for the Mechanism’s clusters. Recently, ECA recommended that the Regional Coordination Mechanism and the subregional coordination mechanisms develop an operational and results-based monitoring and evaluation framework that integrates a suitable reporting template to effectively measure implementation progress in the agreed priority areas.

68. Several United Nations entities are already providing support to Member States for the development of integrated monitoring and reporting frameworks. The Department of Economic and Social Affairs is undertaking a development account project on strengthening the capacities of countries to monitor progress towards achieving the Sustainable Development Goals. The project has three components: (a) the introduction of a statistical capacity assessment methodology, which is ongoing in six African countries; (b) proposed principles and guidelines for the establishment of national reporting platforms, which were prepared and discussed during the forty-ninth session of the United Nations Statistical Commission in March 2018; and (c) training and guidance on the implementation of statistical data and metadata exchange for data dissemination in African countries.

69. In addition, the General Assembly, in its resolution 66/293, mandated the United Nations to monitor the implementation of commitments made towards Africa’s development by both development partners and African countries. In the same resolution, the Assembly requested the Secretary-General to submit a report of the monitoring mechanism on a biennial basis and requested the Office of the Special Adviser on Africa to serve as the secretariat for the review, in coordination with relevant entities of the United Nations system. The report provides updated data and analyses on the implementation of commitments made by African countries and development partners (traditional, new and emerging partners) to support Africa’s sustainable development. It further contributes to the follow-up and review of the 2030 Agenda at the global level by providing useful inputs to the high-level political forum on sustainable development and supporting the participation of African countries in the forum.

70. The United Nations and the African Union, in collaboration with the African Development Bank and the African Capacity-Building Foundation, are also jointly conducting workshops for national statistics institutes in North Africa on concepts and methodologies related to indicators of the Sustainable Development Goals and Agenda 2063 that are relevant for North Africa. The partners provide advisory services to national statistical institutes, as required, in order to increase awareness of the indicators of the two agendas and to build capacity for reporting on progress in Africa.
V. Conclusions and recommendations

71. The 2030 Agenda for Sustainable Development and the African Union’s Agenda 2063 have triggered progress and shifted the way African Governments and their development partners think about the gaps and challenges related to social, economic and political transformation in Africa. Over the past decade, progress has been made in such areas as improved living standards and governance. Progress remains slow and uneven, however, especially in the overarching goal of eradicating poverty in all its forms and dimensions and in ensuring that no one is left behind.

72. To further promote social progress in Africa and improve the effectiveness of the work of United Nations bodies with regard to the social dimensions of the 2030 Agenda, the New Partnership for Africa’s Development and Agenda 2063, the Commission may wish to consider the following recommendations:

(a) African countries should continue to prioritize policies and strategies that spur inclusive and sustainable growth through structural transformation, eradicate extreme poverty and hunger, combat inequality and create decent jobs for all;

(b) Government leaders and decision makers at national, regional and local levels should continue to champion sound governance and focus on the provision of the public goods and services that every citizen has the right to expect: universal education, universal health coverage and social protection, including floors, basic services and infrastructure;

(c) Relevant entities of the United Nations development system, including the reinvigorated resident coordinator system and United Nations country teams, and African Union entities should assist and support countries in their efforts to implement Africa’s development priorities as set out in the 2030 Agenda and Agenda 2063, including in integrating the two agendas into national planning frameworks. The United Nations system should continue to assist countries in strengthening national statistical capacity and monitoring social protection systems to support national development strategies and priorities;

(d) The United Nations system should continue to deliver its support to Africa in a coordinated and coherent manner, including through the Regional Coordination Mechanism for Africa and its realigned clusters, to improve policy coherence at the regional and country levels. The United Nations system should also harmonize its support for the monitoring and reporting of results in order to reduce transaction costs, avoid duplication of efforts, and improve the effectiveness of available resources;

(e) United Nations system organizations and African Union institutions should continue to establish more formal and consistent coordination. The United Nations system could support the African Union Development Agency in the execution of its mandate – which includes the realization of the goals and targets of the 2030 Agenda and Agenda 2063 – by, for instance, sharing its capacities in policy research and developing knowledge products.