



## Economic and Social Council

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**Economic Commission for Africa**  
**Committee on Economic Governance**  
Second session

Addis Ababa (hybrid), 16 and 17 November 2024

### **Priorities for Africa for the Fourth International Conference on Financing for Development**

#### **I. Introduction and context**

1. The world is witnessing an era of multifaceted global challenges stemming from the coronavirus disease (COVID-19) pandemic, the war between the Russian Federation and Ukraine, climate change and economic and financial distress. African countries are the most vulnerable to these multifaceted challenges. Currently, these shocks are occurring simultaneously and cumulatively, with a high likelihood of recurrence in the future and high risks of jeopardizing hard-won success in attaining inclusive and sustainable development.

2. There is a massive need to raise financial resources to accelerate the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union. The need to raise additional resources is even more urgent now, given that less than seven years remain before the deadline to fulfil the 2030 Agenda and the second 10-year implementation plan for Agenda 2063 has begun. Estimates of the annual financing gap to achieve the Sustainable Development Goals in Africa range from \$200 billion to \$1.3 trillion per year.<sup>1</sup> The upper limit is more realistic, as the financing gap for all developing countries was estimated by the United Nations Conference on Trade and Development (UNCTAD) in 2023 to be \$4 trillion. Financing challenges compromise the potential to attain the Goals.<sup>2</sup>

3. In addition to the financing gap, the progress gap between the current status and the targets of the 2030 Agenda is also huge. Millions of people are deprived of the basic necessities for quality of life. Also, extreme inequality within and across societies has been on the rise, further derailing the likelihood of achieving the goals and targets of the 2030 Agenda and Agenda 2063.

4. Notably, financing challenges limit opportunities for industrialization in Africa. A whole-of-system effort is needed to address the existing legal and regulatory bottlenecks, policy failures and market imbalances in order to bridge the financing gaps. Despite the vast potential for leveraging innovative financing sources, such as private equity funds, sovereign wealth funds, public-private partnerships, securitized remittances, commodity markets, index

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<sup>1</sup> *Economic Report on Africa 2020: Innovative Finance for Private Sector Development in Africa* (United Nations publication, 2020).

<sup>2</sup> *Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads* (United Nations publication, 2024).



insurance, deposit and investment funds, Eurobonds, participatory financing mechanisms, mobile money and Islamic finance, their usage is still rather limited.

5. Furthermore, the enormous gap in financing required to attain the goals of the 2030 Agenda and Agenda 2063, along with national development priorities, is coming at a time when the average public debt relative to gross domestic product in Africa exceeds 60 per cent of gross domestic product. According to the International Monetary Fund, as of April 2024, 7 African countries were in debt distress and 13 were at a high risk of debt distress.<sup>3</sup> Another three countries have defaulted on their debt repayment.<sup>4</sup> Sustainable financing sources are needed to enable African countries to achieve their development priorities.

6. It is also worth noting that, while official development assistance (ODA) generally rose, much of the recent increase in ODA went to the Ukraine war. ODA to Africa in 2023 increased by 2 per cent in real terms compared with 2022. However, the ODA total represents 0.37 per cent of the combined gross national income of Development Assistance Committee donors for the second consecutive year, which is below the longstanding United Nations target of a 0.7 per cent ratio of ODA to gross national income.<sup>5</sup>

7. For Africa to take charge of its recovery and development aspirations, more needs to be done to bridge the widening financing gap. In the run-up to the Fourth International Conference on Financing for Development, which is scheduled to be held from 30 June to 3 July 2025 in Spain, the second session of the Committee on Economic Governance presents an opportunity to examine the priority areas for Africa in addressing the multidimensional challenges in the field of sustainable finance. The session will provide a platform for identifying and committing to enabling policy options with a view to realizing broader systemic change in the area of sustainable financing and, through that, achieving sustainable and inclusive development for all.

## II. Committee on Economic Governance

### A. Background

8. At its fifty-second session, held in Marrakech, Morocco, on 25 and 26 March 2019, the Conference of African Ministers of Finance, Planning and Economic Development adopted resolution 966 (LII) on the review of the intergovernmental structure of the Economic Commission for Africa pursuant to its resolutions 943 (XLIX) and 957 (LI), in which it took note of the review of the intergovernmental structure, its findings and recommendations, and endorsed the establishment of five sectoral subsidiary organs, including the Committee on Economic Governance.<sup>6</sup> The Committees were established with

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<sup>3</sup> International Monetary Fund, "List of low income country debt sustainability analyses for Poverty Reduction and Growth Trust-eligible countries as of 30 April 2024". Available at <https://www.imf.org/external/pubs/ft/dsa/dsalist.pdf>.

<sup>4</sup> See final statement by the Executive Secretary of ECA at the High-Level Dialogue on the establishment of an Africa Credit Rating Agency, New York, 20 September 2024. Available at <https://www.uneca.org/stories/statement-by-mr.-claver-gatete-at-the-high-level-dialogue-on-the-establishment-of-an-africa>.

<sup>5</sup> African Union, African Development Bank, United Nations Development Programme and Economic Commission for Africa, *2024 Africa Sustainable Development Report: Reinforcing the 2030 Agenda and Agenda 2063 and Eradicating Poverty in Times of Multiple Crises: the Effective Delivery of Sustainable, Resilient and Innovative Solutions* (Addis Ababa, 2024).

<sup>6</sup> The remaining subsidiary organs include the Committee on Statistics and Data; the Committee on Private Sector Development, Regional Integration, Trade, Infrastructure, Industry and Technology; the Committee

a view to ensuring effective policy uptake and greater participation of senior government officials in the relevant Committee platforms.

9. The role of the Committee, as an advisory forum of experts and policymakers, is to coordinate the work of the subprogramme on macroeconomic policy, finance and governance of the Economic Commission for Africa (ECA) to ensure coherence and impactful results in the support provided to its members and other stakeholders in their efforts to build and strengthen economic governance institutions and policies, and to foster peer learning to accelerate sustained and inclusive social and economic development.<sup>7</sup> The Committee is expected to provide evidence-based advice and guidance on economic governance issues related to the promotion of sound macroeconomic management and inclusive development strategies and the enhancement of financial integrity issues, such as combating illicit financial flows in Africa. In addition, it encourages networking and supports regional and global governance processes, such as the African Peer Review Mechanism, and efforts to curb illicit financial flows, as well as efforts to ensure African representation in international forums, such as the International Conference on Financing for Development and the Group of 20 Summit.

10. The first session of the Committee was held online on 27 April 2022. All African subregions were represented at the event. The main objective of the first session was to elect the Bureau, which subsequently reviewed and endorsed the work programme of the subprogramme. Together with the secretariat of the Committee, the Bureau coordinated the work of the Committee for the following two years.

11. Representatives of the following countries were elected to the Bureau: Algeria, Cameroon, Ethiopia, Ghana and Lesotho. Each of the five countries represents its respective subregion. The macroeconomic policy, finance and governance subprogramme of ECA was both the convener and the secretariat of the Committee. The Committee also reviewed and endorsed the work programme of the macroeconomic policy, finance and governance subprogramme of ECA for the biennium 2022–2024.

12. In 2024, the two-year tenure of the existing Bureau formed in 2022 will be completed. As such, the second session of the Committee will elect a new Bureau for the period 2024–2026 to review and endorse the work programme of the subprogramme on macroeconomic policy, finance and governance of ECA. The second session of the Committee will be held in Addis Ababa on 16 and 17 November 2024.

## **B. Issues to be addressed**

13. The work of the Committee at its second session will be focused on issues of macroeconomics, national planning, economic governance and financing for the continent to ensure sustainable and inclusive development for all in the context of the Fourth International Conference on Financing for Development. Specific issues to be addressed include:

(a) Whole-of-system reforms of the domestic resource mobilization mechanism of countries for financing for development;

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on Climate Change, Blue Economy, Agriculture and Natural Resource Management; and the Committee on Social Development, Poverty and Gender.

<sup>7</sup> In keeping with that of other ECA committees, the role of the Committee on Economic Governance is derived from paragraphs 18A.45–18A.50 of the proposed programme budget for the biennium 2014–2015 (A/68/6 (Sect. 18)), which define the roles of other, comparable functional and sectoral subsidiary organs of the Commission.

- (b) Effective institutional architecture and reforms needed to curb illicit financial flows and pursue the recovery of stolen assets;
- (c) Innovative debt relief mechanisms;
- (d) Skills required to tap into digital technologies in order to mobilize resources for financing for development;
- (e) Recent developments in international tax cooperation;
- (f) Institutional reforms needed to ensure robust economic governance in the run-up to the Fourth International Conference on Financing for Development;
- (g) Reforms to the global financial architecture needed to address the unique needs of Africa.

14. In addition, the Committee will also cover the usual mandates of the intergovernmental body by addressing the following topics:

- (a) Review of past activities and future programmes of the subprogramme on macroeconomic policy, finance and governance;
- (b) Provision of guidance and expert opinions on the priorities and activities of the subprogramme;
- (c) Provision of recommendations to strengthen ECA programmes to better serve its members and the regional economic communities;
- (d) Provision of policy guidance to ensure the relevance of ECA activities in the above-mentioned areas in order to meet the continent's development needs and address its critical development challenges;
- (e) Advice on priorities for the implementation and review of the regional and international policy agendas in relation to the work of ECA;
- (f) Provision of direction on the partnership of ECA with entities of the United Nations system, the African Union Commission and the African Development Bank, and with other development partners;
- (g) Coordination of the work of the Committee together with the secretariat of the Committee at the Macroeconomics, Finance, and Governance Division, ECA.

### **C. Format of the Committee**

15. The management functions of the Committee are carried out by the Bureau and the secretariat. The Bureau is formed by representatives of members of ECA, while the subprogramme on macroeconomic policy, finance and governance works as the secretariat to the Bureau. The specific roles of the Bureau are as follows:

- (a) The Chair of the Bureau represents the Committee at the Conference of Ministers of Finance, Planning and Economic Development;
- (b) Each member of the Bureau attends statutory meetings in the member's specific subregion to ensure that economic governance issues are addressed effectively at that level.

### **D. Election of the Bureau**

16. The Bureau shall be constituted by a newly elected body comprising a chair, two vice-chairs and two rapporteurs. Due account is taken in the election of the officers of the need for equitable representation of each ECA subregion

and appropriate language and gender balance. A list of the countries in each subregion is set out in the annex.

17. Elections of the Bureau are held every two years. The election of the new Bureau will take place during the second session. Members of the Committee and of the subprogramme on macroeconomic policy, finance and governance of ECA, in its capacity as the secretariat of the Committee, shall consult on the election of the Bureau and nominations shall be made by members of the Committee. The current, outgoing Bureau consists of Cameroon as chair, Algeria and Ghana as vice-chairs, and Ethiopia and Lesotho as rapporteurs.

## **E. Expected outcome of the second session of the Committee**

18. Based on the background paper and issues discussed, the second session of the Committee is expected to result in the following: the development of recommendations on a unified macroeconomic and economic governance management approach for attaining sustainable financing in Africa for the Fourth International Conference on Financing for Development; and guidance on the mechanisms for developing such a unified approach.

## **F. Participation**

19. All members of ECA are expected to participate in the session of the Committee through their designated focal person or persons from their ministry of finance or other relevant entity. Overall, the following are expected to participate:

(a) Experts representing members of ECA drawn from ministries responsible for finance and economic planning, central banks, revenue authorities, financial intelligence units, national statistics offices and other relevant ministries and departments that members may deem relevant;

(b) Representative of the macroeconomic policy, finance and governance subprogramme of ECA as convener and secretariat of the Committee;

(c) Representatives of the African Union Commission and the regional economic communities, attending as observers;

(d) Representatives of the United Nations, non-governmental organizations and civil society, attending as observers.

## **G. Contact information**

20. Further information about the Committee may be obtained from:

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## Annex

### List of countries in each subregion of the Economic Commission for Africa

<i>Central Africa</i>	<i>East Africa</i>	<i>North Africa</i>	<i>Southern Africa</i>	<i>West Africa</i>
Cameroon	Burundi	Algeria	Angola	Benin
Central African Republic	Comoros	Egypt	Botswana	Burkina Faso
Chad	Democratic Republic of the Congo	Libya	Eswatini	Cabo Verde
Congo	Djibouti	Mauritania	Lesotho	Côte d'Ivoire
Equatorial Guinea	Ethiopia	Morocco	Malawi	Gambia
Gabon	Eritrea	Sudan	Mauritius	Ghana
Sao Tome and Principe	Kenya	Tunisia	Mozambique	Guinea
	Madagascar		Namibia	Guinea-Bissau
	Rwanda		South Africa	Liberia
	Seychelles		Zambia	Mali
	Somalia		Zimbabwe	Niger
	South Sudan			Nigeria
	United Republic of Tanzania			Senegal
	Uganda			Sierra Leone
				Togo