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Contents

Executive summary	2
Part One	4
African transformations	4
Section One: Background	4
Section Two: African transformations.....	9
1. An Africa that invests in human potential for sustainable development	11
2. An integrated Africa	17
3. An innovative, connected Africa	21
4. An Africa of sustainable, productive industries and economies	26
5. An Africa of stable and effective institutions	32
Part Two	37
Operational framework.....	37
Section Three: Implementing the MTPF	37
Risk management	40
Operational tools of the MTPF.....	42
Section Four: Financial framework	47
Annex	50
Results framework.....	50

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Executive summary

The COVID-19 pandemic has brought with it significant human, social, and economic consequences, some of which are still not yet fully understood. Of course, the continent was already facing significant systemic and structural issues, each of which are affected as a consequence of the pandemic. Responses to these issues therefore need to be structured around and together with post-pandemic planning and recovery. Moreover, Africa faces a range of issues, from the spread of digital technologies and artificial intelligence, a new continent-wide free trade agreement, to burgeoning green and blue economies, that represent both challenges and potential opportunities to further the social and economic development of the continent.

In this context, it is opportune to reflect on what is needed to accelerate progress to achieve the goals that the continent has set itself in both the *2030 Agenda for Sustainable Development*¹ and in *Agenda 2063: The Africa We Want*². Through support to these Agendas in a *Decade of Action*³, we hope to improve the ability of Member States to address both the structural and systemic impediments to sustainable development, as well as building the necessary resilience to deal with present concerns such as COVID-19, as well as future challenges in wide range of areas, from population growth to climate change.

This **Medium-Term Programme Framework (MTPF) 2022 – 2025**, is part of UNECA's response to the challenge of delivering on the promise of the 2030 and 2063 Agendas. While the response to the COVID-19 pandemic, and measures to deal with the human, societal, and economic costs will likely dominate the agenda over the course of the next few years, the MTPF looks at ways in which the continent can potentially '*build forward together*', drawing on Africa's resources, strengths and potential to help drive post-pandemic sustainable development in a *transformative* way. The MTPF provides a systems-based view of the work of UNECA, noting the interconnections and interdependencies between the various Sustainable Development Goals (SDGs), and building upon recent work of the UN system and others⁴ to take a holistic approach, such as contained in *The Future Is Now: Science for Achieving Sustainable Development* (2019)⁵, for a sustainable future⁶.

This MTPF provides an overview of *five areas of transformation* as well as a set of eighteen outcomes describing the high-level changes necessary to realise the transformations. UNECA contributes to these outcomes through the provision of products and services under its three core functions – think tank, convening, and operational. The production of knowledge, whether by UNECA or by Member States using UNECA tools and services, helps to inform the development of policies and strategies at national, sub-regional, and continental levels. As a pan-African institution with roots in the UN system, UNECA works to bring governments together, helping to bring about common understanding, approaches, and policy decisions for the good of all Africans. Policy advisory services and capacity building through UNECA's operation function, support governments' understanding of problems and policy approaches, while giving them increased ability to plan and implement their national development strategies and plans.

¹ United Nations, 'Transforming Our World: The 2030 Agenda for Sustainable Development', A/RES/70/1 § (2015).

² African Union, 'Agenda 2063: The Africa We Want' (Addis Ababa: African Union Commission, September 2015).

³ United Nations, 'Report of the High-Level Political Forum on Sustainable Development Convened under the Auspices of the Economic and Social Council at Its 2019 Session' (United Nations, 9 August 2019).

⁴ Jeffrey D. Sachs et al., 'Six Transformations to Achieve the Sustainable Development Goals', *Nature Sustainability* 2, no. 9 (September 2019): 805–14.

⁵ United Nations, 'The Future Is Now: Science for Achieving Sustainable Development' (United Nations, Department of Economic and Social Affairs, 2019).

⁶ United Nations Economic Commission for Africa, 'Building Forward for an African Green Recovery' (Addis Ababa, May 2021).

UNECA will work together with Member States, the African Union, the African Development Bank, the UN system and other stakeholders, across thematic areas, helping to craft coherent policy and strategic responses to sustainable development challenges, and effective social and economic recovery from the COVID-19 pandemic.

Part One

African transformations

Section One: Background

The mission of the **United Nations Economic Commission for Africa (UNECA)** is to deliver ideas and actions for an empowered and transformed Africa, informed by the 2030 Agenda and Agenda 2063. The work to support sustainable development is multi-dimensional, encompassing a range of interconnected and interdependent policy areas. This is reflected in the diverse nature of UNECA's work to support the continent's countries in transforming their economies and effectively integrating into a common economic, social and political space, while promoting international cooperation to create a more prosperous and inclusive continent.

Accelerating progress towards 2030 – the 'Decade of Action'

The **2030 Agenda for Sustainable Development** ('2030 Agenda')⁷, with its seventeen Sustainable Development Goals (SDGs), is the universal vision and plan of action for transforming economies, improving well-being and increasing opportunity, and protecting the natural environment. UNECA is committed to supporting Member States in achieving their national SDG targets, and for helping the continent as a whole to deliver on the promise of the 2030 Agenda. UNECA has worked with RECs, IGOs and Member States to improve capacities to monitor and understand progress towards the goals, to integrate them into policies and strategies, as well as providing research and advisory services in a range of substantive areas linked to the SDGs, such as developing sustainable, green economies, reducing poverty and inequality, improving access to public services, and developing infrastructure.

During 2019's **High Level Political Forum on Sustainable Development**, Member States called upon the international system to redouble its efforts to achieve the 2030 Agenda and its Sustainable Development Goals in what has been called a new *Decade of Action for achieving the SDGs*⁸ by 2030.

In recent years, UNECA, in collaboration with the UN system and the African Union Commission, has convened the **Africa Regional Forum on Sustainable Development (ARFSD)** with a focus on advancing the implementation of the SDGs and Africa's Agenda 2063, especially in the decade from 2020 to 2030⁹. The forum has called for efforts to raise domestic resources to help finance development, setting transformative national goals and agendas, improving training and education, ensuring alignment of resources with national targets in the two Agendas, pursuing multilateral agreements such as the **African Continental Free Trade Area (AfCFTA)**, and seeking improvements to governance and institutions. Furthermore, the seventh ARFSD in 2021 placed emphasis on recovery and green growth in Africa following the COVID-19 pandemic. It particularly highlighted the importance of transformative actions to accelerate progress towards the 2030 Agenda and Agenda 2063 (see below). The Forum also underlined the need for innovative financing and domestic resource

⁷ United Nations, 'United Nations General Assembly Resolution A/RES/70/1', 25 September 2015, 1, http://www.un.org/ga/search/viewm_doc.asp?symbol=A/RES/70/1.

⁸ United Nations, 'Political Declaration of the High-Level Political Forum on Sustainable Development Convened under the Auspices of the General Assembly', A/RES/74/4 § (2019).

⁹ Economic Commission for Africa, 'Sixth Session of the Africa Regional Forum on Sustainable Development: Summary, Key Messages and Victoria Falls Declaration', Africa Regional Forum on Sustainable Development (Victoria Falls, Zimbabwe, 24 March 2020).

mobilization in support of the Agenda, as well as the critical role of Africa's natural resources for the continent and the world.

Recent reforms of the UN Development System seek to translate the vision of a *Decade of Action* into practice¹⁰. The central idea of these reforms is to strengthen momentum to achieve the SDGs while enhancing coordination and reducing duplication amongst UN development system actors, and maintaining the overall relevance and responsiveness of development actors to the rapidly changing global social, political, economic, technological, and environmental context. Finally, the UN's **Regional Collaborative Platform (RCP)** for Africa unites all UN entities working in sustainable development across the continent in order to address Africa's challenges in a coherent, coordinated way. The Executive Secretary of UNECA acts as one of the RCP's co-chairs.

Agenda 2063: The Africa we want

Agenda 2063 is the continent's ambitious pan-African framework for attaining inclusive and sustainable economic growth and development around seven key aspirations for African growth and prosperity.

Member States have recognised the importance of supporting Agenda 2063 as well as the **African Union Development Agency-New Partnership for Africa's Development (AUDA-NEPAD)**¹¹, the African Union's official development arm.

COVID-19 and the development agendas

The COVID-19 pandemic arrived in the context of a promising time for the African continent. Progress had been made in 2019 with the entry into force of the African Continental Free Trade Agreement (AfCFTA). At the time, around 500 million sub-Saharan Africans were projected to see their national per capita incomes rise faster than the world average¹². Significant challenges remained, with average growth rates still below what was needed to achieve the SDGs, low commodity prices particularly affecting some countries, along with weak governance, and rising public debt levels. However, positive developments such as continued economic expansion, high global returns on foreign direct investment (FDI), and increasing use of technology and innovation provided fuel for optimism for the early years of the 2020s.

The impacts of the pandemic on the continent highlight the systematic and interlinked nature of risk in a highly connected world¹³. Factors such as weak health systems, the high prevalence of underlying conditions such as HIV/AIDS, tuberculosis, and malaria, as well as limited access to critical care facilities as well as water and sanitation, all serve to increase the COVID-19 risk to human populations¹⁴. Additionally, the long-term health effects of the disease on those that recover potentially

¹⁰ United Nations, 'Repositioning of the United Nations Development System in the Context of the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System', A/RES/72/279 § (2018); United Nations, 'Repositioning the United Nations Development System to Deliver on the 2030 Agenda: Our Promise for Dignity, Prosperity and Peace on a Healthy Planet', Report of the Secretary General (United Nations, 21 December 2017); United Nations, 'Report of the High-Level Political Forum on Sustainable Development Convened under the Auspices of the Economic and Social Council at Its 2019 Session'.

¹¹ AUDA-NEPAD, 'AUDA-NEPAD Homepage', AUDA-NEPAD Homepage, accessed 30 June 2021, <https://www.nepad.org/>.

¹² International Monetary Fund, 'Regional Economic Outlook Sub-Saharan Africa: Navigating Uncertainty' (Washington, D.C., October 2019).

¹³ United Nations, 'Sustainable and Resilient Recovery from the Coronavirus Disease Pandemic That Promotes the Economic, Social and Environmental Dimensions of Sustainable Development', Report of the Secretary General (United Nations, 5 May 2021).

¹⁴ United Nations, 'Policy Brief: Impact of COVID-19 in Africa', 20 May 2020.

pose a range of medical and care issues¹⁵ that need to be taken into account over a longer period. For less well-resourced health and care systems, these potentially represent an additional burden¹⁶. Moreover, the pandemic has in some areas severely disrupted health services for a range of other illnesses and vulnerable populations¹⁷, while the economic conditions may further reduce fiscal space available for healthcare spending in some countries¹⁸.

The pandemic has also caused significant human capital depletion, setting back progress in education and human health. Limited access to digital and remote learning possibilities has meant that tens of millions of African schoolchildren have missed out on a significant part of their formal education during the pandemic¹⁹, leading to further divergences in educational achievement between the continent and the rest of the world²⁰. A relative lack of digital alternatives to in-person teaching has also affected higher education, which has suffered due in part to the relative lack of digital and remote learning options at the university level²¹.

However, aspects of the African response to COVID-19 have shown strength and an ability to respond quickly to changing conditions. Many countries rapidly deployed national measures to combat the disease, drawing on experience of previous epidemics, and making effective use of limited national resources²². As a result, most countries in the region were effective in slowing down the spread of the virus during 2020 and 2021. In many cases African countries outperformed their developed country peers in areas such as successful illness containment, border controls and testing, as well as having clear and decisive public communication and response plans²³. The pandemic has also had a catalysing effect on health innovation across the continent²⁴.

The immediate economic impact of the pandemic on African economies varies but the continent as a whole went from 3.3% growth in 2019 to a 2.6% contraction in 2020, though with a moderate rebound by the end of 2021²⁵. As a result, at least 40 million more Africans have been pushed into extreme poverty. Increases in informal and vulnerable employment, especially among women, are expected to continue. Additionally, falling tax revenues and commodity prices, interrupted supply chains, an increasing debt burden, and currency fluctuations will weigh on national budgets and economies, leaving less flexibility to deal with the health and socio-economic effects of the virus.

¹⁵ Global Alliance for Vaccines and Immunization, 'The Long-Term Health Effects of COVID-19', GAVI: The Vaccine Alliance, 19 June 2020; World Health Organization, 'Update on Clinical Long-Term Effects of COVID-19'.

¹⁶ National Heart, Lung, and Blood Institute, 'Looking Forward: Understanding the Long-Term Effects of COVID-19', 3 June 2020.

¹⁷ The Global Fund, 'The Impact of COVID-19 on HIV, TB and Malaria Services and Systems for Health', April 2021.

¹⁸ Adrian Gheorghe et al., 'COVID-19 and Budgetary Space for Health in Developing Economies', CGD Note, July 2020, 10.

¹⁹ UNICEF, 'COVID 19: Are Children Able to Continue Learning during School Closures?', August 2020.

²⁰ Joao Pedro Azevedo, 'How Could COVID-19 Hinder Progress with Learning Poverty? Some Initial Simulations', World Bank Blogs, 15 December 2020.

²¹ Peter Koninckx, Cunegonde Fatondji, and Joel Burgos, 'COVID-19 Impact on Higher Education in Africa', OECD Development Matters, 19 May 2021.

²² Agnes Binagwaho and Kedest Mathewos, 'What Explains Africa's Successful Response to the COVID-19 Pandemic?', *Medical News Today*, 20 November 2020.

²³ David Crone, 'Insights From Africa's Covid-19 Response: Decisive National Action' (Tony Blair Institute for Global Change, 17 December 2020).

²⁴ World Health Organization, 'La COVID-19 stimule l'innovation en matière de santé en Afrique', Regional Office for Africa, 29 October 2020.

²⁵ Anzette Were, 'Divergent Recoveries from COVID-19 in Africa Require Intentional Action', *OECD Development Matters*, 25 May 2021.

The crisis will adversely affect achievement of the SDGs by 2030, as well as the long-term achievement of the goals of Agenda 2063. The pandemic has also exposed areas in which countries have been slow in developing resilience and increased investment²⁶. Such problems particularly expose the most vulnerable populations to risk, and most particularly women and children²⁷. A joint continental strategy on COVID-19 was announced and a Response Fund developed. These efforts should be complemented by actions and support from the international community over the medium- to long-term in order to put countries and economies back onto the path to achieve the 2030 Agenda and Agenda 2063²⁸.

How UNECA supports the 2030 Agenda and Agenda 2063

UNECA delivers support to Member States, RECs and IGOs through three distinct and complementary functions:

The convening function. This includes the provision of multi-lateral and multi-stakeholder platforms, helping to reinforce multilateralism regionally and globally. The convening function supports the identification of key collective challenges facing the continent along with appropriate responses. It also allows for deeper regional integration through the adoption of common understandings and agreements for Africa's further social and economic development.

The think tank function. This includes the conduct of interdisciplinary research and analysis of key challenges facing Member States and Africa as a whole, as well as the promotion of peer learning and development. This develops the evidential basis for coherent policy making and strategy implementation. It highlights key issues and trends, while providing potential future scenarios for the continent's sustainable social and economic development.

The operational function. This includes the provision of direct policy advice and support to Member States, RECs and IGOs including through cooperation with other UN system entities. The provision of policy advice and other support services helps stakeholders to make decisions about the most appropriate policy mixture for their circumstances. Training and capacity building activities help to develop national officials that contribute to the formulation and implementation of effective and coherent policies and strategies.

The MTPF provides the overall social, economic and developmental context for UNECA's work, as well as the outcomes over the medium term. Implementation of the MTPF is achieved through ECA's 'Planning Frameworks', most notably the annual Programme Plans and Budgets (PPBs) that are approved each year by the 5th Committee of the UN General Assembly. These planning frameworks and annual business plans serve to operationalise the MTPF and ensure accountability. Results of the MTPF and the planning frameworks contribute to supporting Member States in achieving the goals of the 2030 Agenda and of Agenda 2063 (see Figure 1).

Through these three functions UNECA pursues its vision of an empowered, inclusive and transformed Africa. The functions are complemented by five strategic directions. These directions outline key areas in which UNECA will concentrate its efforts in order to deliver on its vision and the goals of the 2030 Agenda and Agenda 2063. Each strategic direction involves all three functions, allowing UNECA to deliver a coherent set of convening, policy advisory, capacity building, and evidential support to Member States, RECS and IGOs as outlined in Figure 1 above. These become the

²⁶ United Nations, 'Shared Responsibility, Global Solidarity: Responding to the Socio-Economic Impacts of COVID-19', March 2020.

²⁷ United Nations, 'Policy Brief: The Impact of COVID-19 on Women', 9 April 2020; United Nations, 'Policy Brief: The Impact of COVID-19 on Children', 15 April 2020.

²⁸ United Nations Economic Commission for Africa, 'Building Forward Together', 2021.

key directions that support implementation of the **African Transformations** outlined within this Medium Term Programme Framework (MTPF).

UNECA is well positioned to support these African transformations and help achieve the goals of the 2030 Agenda and Agenda 2063. Its position as both a pan-African institution, with close ties to both the African Union and the African Development Bank, and a member of the UN Development System means that it can act as an active advocate for Africa and African issues on the global stage. As a continental institution, it is able to support identification of regional and transboundary challenges facing the continent, as well as the adoption of continent-wide responses and programmes.

Figure 1
The three UNECA Functions contribute to MTPF outcomes, ECA Planning Frameworks, and development agendas

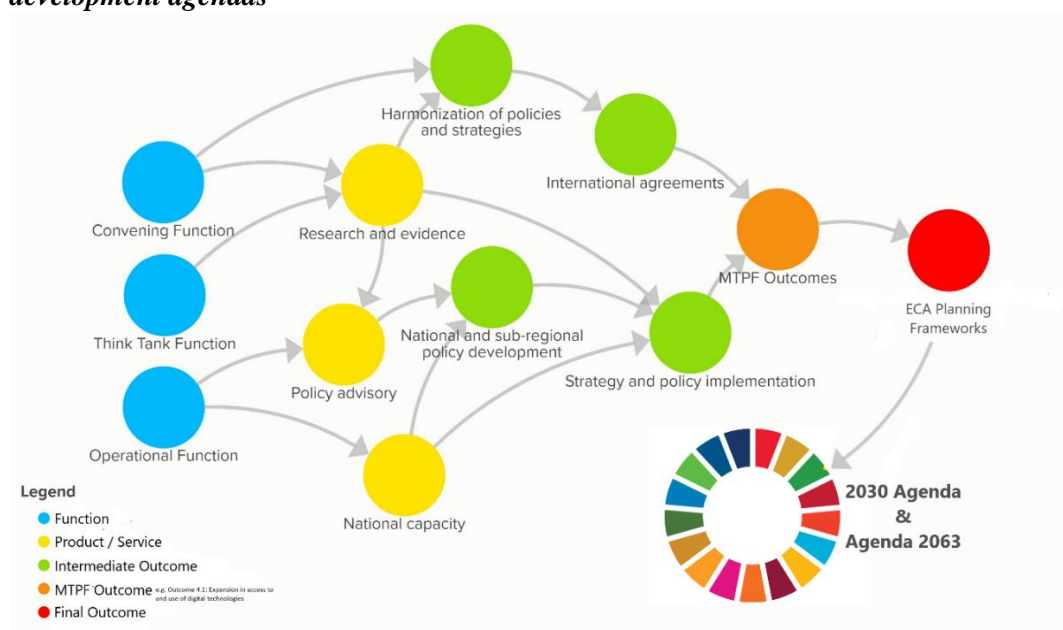


Figure 2
UNECA's five strategic directions

Strategic Directions					
	Analytical capabilities	Macroeconomic and sustainable development policies	Innovative financing models	Regional and transboundary initiatives	Continental ideas on a global level
UNECA products and services	Build capabilities to generate knowledge and applied policy to meet SDGs and the Agenda 2063	Formulate macro and fiscal policy options for accelerated growth and stability, as well as governance policies for inclusive, sustainable growth	New and innovative ways to finance Africa's priority agenda: financing for the development agendas (2030 and 2063)	Formulate strategies and provide support for the implementation of policies to advance regional integration	Provide policy solutions to global governance issues including the regional dimension and global financial stability
	Conduct evidence-based research and produce frontier analysis	Articulate policies for public institution-building & strengthening	Support private sector development, including for the creation of new and innovative financing tools	Harmonize policies and regulations, and set standards and norms through regional and continental approaches	Make UNECA a platform for debate, exchange and innovation on issues related to the global public good
	Infuse new knowledge into institutions and other think tanks	Develop sustainable climate smart policies	Coordinate with other international financial institutions, the private sector, regional development banks, and United Nations agencies	Tackle emerging issues and challenges in Africa with a regional focus	Advocate for the common position for Africa at the global level and develop regional responses as a contribution to global governance issues

	Manage for results and impact	Provide advice on the management of public enterprises	Develop effective regulations and policies to support innovative financing in the private sector	Connect Africa through regional and transboundary infrastructure, financing models, institutions, and consensus-building processes	Promote South–South exchanges
Strengthen partnerships for policy analysis with other stakeholders					

Section Two: African transformations

The coming decades will require transformative change across the continent if it is to achieve the goals of both the 2030 Agenda and Agenda 2063. UNECA supports this change through five dimensions of transformation:

1. An Africa that invests in human potential for sustainable development
2. An integrated Africa
3. An innovative, connected Africa
4. An Africa of sustainable, productive industries and economies
5. Africa of stable and effective institutions

Together the **‘Five African Transformations’** demonstrate a set of policy and programmatic areas that can help transform economies on the continent in the post-COVID-19 era, each representing a group of interrelated policy areas with significant improvements to the lives and well-being of individuals and communities across the continent. The five areas represent opportunities for the continent where systematic approaches have potential to improve policy coherence and drive economic growth and improvements to social, environmental, and material well-being. Within each transformational area, there are a set of key outcomes that will help to orient UNECA’s work, within the overall framework of the Agendas and UN system-wide approaches, and form the basis for demonstrating the material contribution of the Commission to African development.

International and African actors have drawn attention to the need for responses that take into account the complex and interdependent nature of the development challenges facing the continent. Studies have demonstrated ways in which progress towards certain SDG targets can both positively and negatively influence progress in other areas²⁹, while recent reports have identified key sets of policy interventions that have the potential to transform and accelerate progress in all three pillars of sustainable development – social, economic and environmental³⁰. A complex systems approach that puts emphasis on sets of interventions that address the interrelationships between human, technical, economic and natural factors, can help overcome limitations of siloed policymaking and help propel future development progress³¹. Following the recommendations of the *First Continental Report on the Implementation of Agenda 2063*³², the MTPF seeks to support a harmonized and integrated approach,

²⁹ Måns Nilsson, Dave Griggs, and Martin Visbeck, ‘Policy: Map the Interactions between Sustainable Development Goals’, *Nature News* 534, no. 7607 (16 June 2016): 320; International Institute for Applied Systems Analysis, ‘Transformations to Achieve the Sustainable Development Goals’, *The World in 2050* (IASA, July 2018).

³⁰ United Nations, ‘The Future Is Now: Science for Achieving Sustainable Development’.

³¹ Sachs et al., ‘Six Transformations to Achieve the Sustainable Development Goals’.

³² African Union, ‘First Continental Report on the Implementation of Agenda 2063’, February 2020.

building upon the framework proposed in The *Future Is Now report*³³ as well as other proposals³⁴, while taking into account the specific strengths and mandate areas of UNECA.

The transformations are at the intersection of the areas of capability and expertise of UNECA, and transformative actions for sustainable development most especially those identified in the *Future is Now report*³⁵. The key criteria for selecting and identifying the transformations were:

- Represent a list of key areas where action has the potential to accelerate Africa’s social and economic development.
- Be related to key challenges facing the continent over the next decade.
- Be areas where UNECA mandates and expertise can influence development
- Each be linked to sets of goals and targets under the 2030 Agenda and Agenda 2063.

Represent a short list of sets of interrelated policy programmes and interventions. Each transformation will require knowledge, policy advisory, and capacity building activities, along with convening of African countries and other stakeholders. They are therefore well suited to UNECA’s model of bringing together complementary sets of research knowledge, advisory, capacity, and cross-border agreement. The following sections outline each of the ‘five African transformations’, highlighting areas where UNECA can make key contributions. An overview of these transformations and the connections with relevant SDGs is found in Figure 3.

Figure 3
Transformations and the SDGs

<i>Transformation</i>	<i>SDGs</i>
1. An Africa that invests in human potential for sustainable development	SDG 1: No poverty SDG 3: Good health and well-being SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 10: Reduced inequalities
2. An integrated Africa	SDG 7: Affordable and clean energy SDG 9: Industry, innovation and infrastructure SDG 17: Partnerships for the goals
3. An innovative, connected Africa	SDG 4: Quality education SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure SDG 17: Partnerships for the goals
4. An Africa of sustainable, competitive industries and economies	SDG 2: Zero hunger SDG 8: Decent work and economic growth SDG 9: Industry, innovation and infrastructure SDG 11: Sustainable cities and communities SDG 12: Responsible consumption and production SDG 13: Climate action SDG 14: Life below water SDG 15: Life on land
5. A secure well-governed Africa	SDG 8: Decent work and economic growth SDG 16: Peace, justice and strong institutions SDG 17: Partnerships for the goals

³³ United Nations, ‘The Future Is Now: Science for Achieving Sustainable Development’.

³⁴ Sachs et al., ‘Six Transformations to Achieve the Sustainable Development Goals’.

³⁵ United Nations, ‘The Future Is Now: Science for Achieving Sustainable Development’.

1. An Africa that invests in human potential for sustainable development

Overview

People are at the centre of efforts to promote Africa's sustainable development. At the most fundamental level, people's well-being depends on health, education, and equal access to social, economic, and political infrastructure. A secure, healthy population is the bedrock for addressing challenges in education and social and political equality. Attaining quality education and having equal access to social and economic opportunities are themselves a precondition for much other work to reduce poverty and economic inequality, to develop new industries and structurally transform economies, and to capitalise on potential societal gains through trade or the digital economy³⁶. Ensuring that these three areas – **health, education, and equal opportunity** – are at the core of policy making will drive further gains in social and economic opportunity.

In the post-COVID-19 era, it is of central importance that Africa works together to secure the health and well-being of its people. Actions to increase access to vaccinations and to strengthen overall public health responses are vital, particularly as across the continent there continue to be significant inequalities in access to healthcare³⁷. Millions of Africans have been directly or indirectly affected by the pandemic, with hundreds of thousands of people succumbing to the disease³⁸. The economic and fiscal impacts of COVID-19 on the continent are significant³⁹ and suggest the need for substantial increases in health expenditure⁴⁰, and the likelihood of continued depressed tax revenues, as well as international trade and economic activity.

To face these challenges, African governments can take advantage of policies that promote education and skills development, particularly for the continent's burgeoning youth population. In doing this, countries can also work towards ensuring that education and employment opportunities are broad based, that they include women, youth and otherwise marginalised groups, and that they cover a range of geographies, including both rural and urban areas. Urban areas in particular will likely pose a challenge, due to the rapid pace of urbanisation projected over the coming decades.

Improved skills and employment possibilities

The African continent has the world's fastest population, with numbers expected to grow from 1.26 billion in 2018, to 1.7 billion in 2030 and well over 2 billion in 2050⁴¹. Correspondingly, Africa's working age population is projected to grow from 705 million in 2018 to almost a billion people by 2030⁴². At the current growth rates, Africa as a whole needs to create around 12 million additional jobs each year in order to avoid increases in unemployment⁴³, indicating the need for strong and sustained

³⁶ African Development Bank, 'African Economic Outlook 2020: Developing Africa's Workforce for the Future' (African Development Bank, 2020).

³⁷ International Monetary Fund, 'IMF Fiscal Monitor: Tackling Inequality' (IMF, October 2017).

³⁸ P Walker et al., 'Report 12: The Global Impact of COVID-19 and Strategies for Mitigation and Suppression' (Imperial College London, 26 March 2020).

³⁹ United Nations Economic Commission for Africa, 'COVID-19 in Africa'.

⁴⁰ Pia Schneider, Fedja Pivodic, and Katelyn Jison Yoo, 'How Much Health Financing Does Sub-Saharan Africa Need to Fight COVID-19 (Coronavirus)?', *World Bank Blogs* (blog), 15 April 2020, <https://blogs.worldbank.org/health/how-much-health-financing-does-sub-saharan-africa-need-fight-covid-19-coronavirus>.

⁴¹ African Development Bank, OECD, and UNDP, 'African Economic Outlook 2016: Sustainable Cities and Structural Transformation', 2016.

⁴² African Development Bank, 'African Economic Outlook 2019: Macroeconomic Performance and Prospects', 2019.

⁴³ African Development Bank.

economic growth across the continent. Eradicating poverty in the context of this growing population will likely require sustained double-digit GDP growth in the decade up to 2030⁴⁴.

Economic growth that creates jobs is important but so too is the nature of the jobs created. At present, there is a high proportion of informal and vulnerable employment as a share of total employment⁴⁵. The share of working poor – those who earn less than US\$1.90 per day – was one third in 2018. While this has declined from nearly half in the year 2000, in absolute terms Africa counts the majority of world's working poor, with women and young people particularly affected⁴⁶. Employment prospects for young people especially need to keep pace, given that Africa's youth comprise 35% of the working age population but 60% of the total unemployed⁴⁷. Moreover, the increasingly urban nature of Africa's population suggests that future economic growth is going to increasingly depend on harnessing the potential of younger, urban Africans, and ensuring that they have access to a range of essential social and economic services⁴⁸, as well as employment and skills training programmes that are tailored to their needs and urban economies.

Africa's *demographic dividend* is the potential for accelerated and sustained economic growth resulting from the increasingly large working age population⁴⁹. While the overall challenge of population growth and unemployment is immense, there is significant potential for African countries to develop policies and strategies to greatly benefit from this demographic dividend. Many of these strategies focus on improvements in human capital, with an emphasis on access to education, skills and training, especially for women and young people. Moreover, this increase in human capital can help propel structural transformation of economies, as countries move away from agriculture and commodity-based production towards more value-added goods and services⁵⁰.

Improved access to education, skills and training can help increase employment prospects, but matching of these skills to appropriate employment opportunities will likely remain a significant challenge. In addition to increased access to and coverage of foundational skills in literacy and numeracy, new policies and partnerships will be required to ensure that education providers improve the employment prospects of their students. A key part of this will be to ensure that Technical and Vocational Educational Training (TVET) is transformed to increase coherence, improve alignment with labour market needs, and make use of and increase access to digital learning opportunities.

To help promote employment, policies and initiatives can be undertaken to improve the overall business environment. Such policies may include improving the quality of infrastructure, development of sector and industrial strategies, and increasing regional integration across the continent to help promote mobility, trade, and investment⁵¹. Furthermore, improved education and labour market data will be needed to improve understanding of alignment between skills and future market needs.

⁴⁴ United Nations, 'World Economic Situation and Prospects 2019' (United Nations, 2019).

⁴⁵ J.D. Moyer et al., 'Africa's Path to 2063: Choice in the Face of Great Transformation' (Denver and Johannesburg: Frederick S. Pardee Center for International Futures and NEPAD Planning and Coordinating Agency, 2018).

⁴⁶ International Labour Organization, 'The Working Poor or How a Job Is No Guarantee of Decent Living Conditions', ILOSTAT Spotlight on Work Statistics (ILO, April 2019).

⁴⁷ United Nations Economic Commission for Africa, 'ECA Annual Report 2018' (Addis Ababa: United Nations, 15 May 2018).

⁴⁸ United Nations Economic Commission for Africa, 'Economic Report on Africa 2017' (Addis Ababa: UNECA, 2017).

⁴⁹ African Union Commission, 'AU Roadmap on Harnessing the Demographic Dividend through Investments in Youth' (African Union Commission, 2017).

⁵⁰ African Union Commission.

⁵¹ African Development Bank, 'African Economic Outlook 2019: Macroeconomic Performance and Prospects'.

Equal access to opportunity

Africa is the region with the second highest income inequality in the world – after Latin America – with a GINI coefficient of 0.44⁵², and seven of the world's ten most unequal countries in terms of income. There have been gains across the continent the past few decades, with around half of Africa's countries registering annual reductions in inequality⁵³. While there are income inequalities between countries across the continent, the key driver of the overall level of inequality remains within-country inequality. Spatial inequalities – e.g. between rural and urban areas – help to explain overall national income inequalities, as do different levels of educational attainment⁵⁴. Income inequality is further driven by stage of development, share of working age population, and gender inequality⁵⁵. Moreover, studies suggest that high income inequality is associated with lower levels of economic growth across the continent⁵⁶.

Gender inequality across the continent remains high, despite improvements in educational attainment, health outcomes, and female labour force participation rates⁵⁷. In the period leading up to the COVID-19 pandemic, two-thirds of women were participating in the labour force. However, the proportion of women in vulnerable employment was thought to be 75%, and a significant proportion of those in employment were underemployed⁵⁸. Gender discrimination is still evident in secondary and tertiary education, and overall lower employment opportunity and access to social services⁵⁹. Together, income inequality and gender inequality contribute to reducing Africa's annual GDP growth by up to 0.9%⁶⁰.

Persons with disabilities, who make up at least 10 per cent of the continent's population, are more likely to be faced with poverty, unemployment and are disproportionately affected by conflicts, disasters, and humanitarian crises. In many places across Africa, they also do not have equal access to education, health care, housing, social protection systems, justice, and participation in political life. The ability of persons with disabilities to participate in society is often frustrated because physical environments, transportation and information and communications systems are not accessible⁶¹. This has been highlighted by the COVID-19 pandemic which has hit persons with disabilities particularly hard⁶².

However, there remain significant inequalities of various other kinds that have a negative effect on the opportunities for Africa's citizens⁶³. These inequalities are multidimensional, encompassing unequal incomes and economic opportunity, unequal access to healthcare, education and social

⁵² Abebe Shimeles and Tiguene Nabassaga, 'Why Is Inequality High in Africa?', Working Paper (African Development Bank, January 2017).

⁵³ Kathleen Beegle et al., 'Poverty in a Rising Africa', Africa Poverty Report (Washington, D.C.: World Bank, 2016).

⁵⁴ Beegle et al.

⁵⁵ United Nations, 'Overview of Recent Economic and Social Conditions in Africa' (Addis Ababa: United Nations, 18 May 2018).

⁵⁶ Dalia Hakura et al., 'Inequality, Gender Gaps and Economic Growth: Comparative Evidence for Sub-Saharan Africa', *IMF Working Papers* 16, no. 111 (2016): 1.

⁵⁷ Hakura et al.

⁵⁸ United Nations Economic Commission for Africa, 'Women's Economic Empowerment: Boosting Women's Entrepreneurship in Africa' (UNECA, 13 September 2017).

⁵⁹ United Nations, 'Overview of Recent Economic and Social Conditions in Africa'.

⁶⁰ Hakura et al., 'Inequality, Gender Gaps and Economic Growth'.

⁶¹ United Nations and Department of Economic and Social Affairs, *Disability and Development Report: Realizing the Sustainable Development Goals by, for and with Persons with Disabilities: 2018, 2019*.

⁶² World Health Organization, 'Disability and Health', 1 December 2020.

⁶³ United Nations Development Programme, 'Income Inequality Trends in Sub-Saharan Africa: Divergence, Determinants and Consequences' (New York: UNDP, 2017).

programmes, and greater exposure to economic volatility and shocks. Political factors such as instability and insecurity and the absence of meaningful participation in political processes help compound these inequalities, as do cultural factors such as the value placed on certain kinds of work, particular domestic work or caregiving⁶⁴. Many of these areas are likely to be compounded in the wake of the COVID-19 pandemic, as large numbers of Africans are pushed into greater levels of poverty and inequality⁶⁵, with a particularly negative effect on the lives of African women and girls⁶⁶.

Sustained social investment

Persistent inequality, poverty and inequity in access to social services and economic opportunities, particularly for youth, the aged, persons with disabilities and women, are creating deficits in human development, and slowing progress towards achieving development and democracy goals⁶⁷. Long term, sustained, and inclusive economic growth is needed in order to meet the employment demands of Africa's growing population – especially for youth and in urban areas. Education and skills development, healthcare, social protection, and other services are all needed to ensure that vulnerabilities are addressed across societies, whether in rural or urban areas.

These sustained investments in social capital will help drive increased labour productivity as well as the economic linkages between different sectors, particularly agricultural and non-agricultural. Quality employment training schemes as well as vocational training and apprenticeships, can help further drive employment and entrepreneurship, particularly among young people. Moreover, investments made in provision of basic social guarantees, including for informal and migrant workers, can further help gains in productivity and income⁶⁸.

Social investment that targets women and youth, helping to develop skills and education, increase their access to healthcare, support their financial inclusion, can support broader economic growth and diversification. Continued investment in effective and inclusive social protection systems, while addressing inequalities, is therefore of key importance to improving a range of health and social indicators, and for promoting long-term well-being and human development.

Safe, orderly migration

Migration brings many benefits to countries of origin and destination, as well as to migrants themselves. As well as promising to better match labour skills to market demand, migration has been found to have neutral to positive impacts on local economies and communities in destination countries, helping to increase overall productivity and, where migrants are part of the formal economy, increasing tax revenues and social welfare payments. The positive potential impact of migration for individuals, their families, communities, and economies, is recognised through various instruments that favour regular intra-African migration, such as the AU's Protocol on Free Movement, and strategies such as the IOM's continent-wide strategy for migration. Countries benefit the most from the presence of migrants when the latter's situation is regular, i.e. where they have recognised employment, benefit from social and legal protection, and are safe from abuse or victimization. Legal avenues for migration should therefore provide realistic opportunities, especially to Africa's youth, while also seeking to

⁶⁴ United Nations Economic Commission for Africa, 'African Social Development Index (ASDI): Measuring Human Exclusion for Structural Transformation' (Addis Ababa: UNECA, 2015).

⁶⁵ Daniel Gerszon Mahler et al., 'The Impact of COVID-19 (Coronavirus) on Global Poverty: Why Sub-Saharan Africa Might Be the Region Hardest Hit', World Bank, *World Bank Data Blog* (blog), 20 April 2020, <https://blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest>.

⁶⁶ United Nations, 'Policy Brief: The Impact of COVID-19 on Women'.

⁶⁷ United Nations Economic Commission for Africa, 'Summary and Key Messages of the Fifth Session of the Africa Regional Forum on Sustainable Development' (Marrakech: United Nations, 18 April 2019).

⁶⁸ United Nations Economic Commission for Africa.

ensure that they are in a position to integrate and contribute positively to both their host communities and their countries of origin.

The 2030 Agenda recognises the positive role that migration can play in supporting sustainable development⁶⁹. Labour mobility has been identified as a key factor in ensuring the success of other initiatives such as the AfCFTA, along with mobility of goods, services and capital⁷⁰. It has also been identified as a key part of increasing regional and sub-regional integration across the continent. Mobility, both between countries but also within countries in the context of urbanisation, helps match demand for labour with supply as well as facilitating increases in productivity. Regimes and strategies for safe, orderly, and responsible mobility and migration help to protect vulnerable populations from migrant smuggling and human trafficking, while providing effective means for meeting labour demands and protecting migrants' rights. International initiatives, such as the Global Compact for Safe, Orderly and Regular Migration, help to promote common understanding and shared responsibilities in matters related to migration⁷¹. Related instruments, especially the Global Compact on Refugees, seek to improve conditions for refugees as well as their host countries⁷².

In the context of public health challenges such as COVID-19, securing safe forms of migration, and protection of migrants' rights take on increased importance. While the imposition of movement restrictions limits movements and therefore new migration, there are other social and economic effects that impact on both migrants and economies. Crises such as COVID-19 increase risks to migrants, who are more likely to be susceptible to unemployment or who may have reduced access to health and social support systems. Migrants are also more likely to live in poor or dense living conditions, risking contagion. Moreover, the COVID-19 pandemic saw a substantial reduction in remittances – 23% or \$37 billion – across Sub-Saharan Africa⁷³, spreading vulnerabilities back to migrants' families and communities of origin⁷⁴.

ECA's contribution

ECA supports developing human capacities by assisting Member States, RECs, IGOs and other stakeholders with understanding and monitoring their spending on social investment. It includes support to policies for productive job creation, especially for young people and in urban areas, as well as to strategies for poverty reduction. UNECA helps to identify inequalities between men and women in the social, economic and political spheres, as well as to incorporate gender responsive analysis, planning and budgeting into national macroeconomic policies, development plans, and sectoral strategies and policies. UNECA further supports knowledge products for gender mainstreaming, including for country-specific strategies. It also helps stakeholders to develop policy tools for gender mainstreaming, as well as products such as statistical measures to help monitor and understand progress. UNECA also facilitates knowledge and experience sharing through forums and workshops, including among participants from different regions.

ECA's support to Member States, RECS and IGOs in poverty, inequality and social policy helps to measure exclusion and better design policies and strategies for human development. It further helps

⁶⁹ United Nations, *Transforming our world: the 2030 Agenda for Sustainable Development*; United Nations, 'Long-Term Impact of Current Trends in the Economic, Social and Environmental Areas on the Realization of the Sustainable Development Goals', Report of the Secretary General, 3 May 2019.

⁷⁰ African Union, '2019 African Regional Integration Report: Towards an Integrated and Prosperous and Peaceful Africa' (Addis Ababa: African Union, 28 February 2020).

⁷¹ United Nations, 'Global Compact for Safe, Orderly and Regular Migration (A/RES/73/195), 2018', A/RES/73/195 § (2018).

⁷² United Nations, 'Global Compact on Refugees', A/73/12 § (2018).

⁷³ United Nations Economic Commission for Africa, 'Building Forward Together'.

⁷⁴ World Bank, 'COVID-19 Crisis Through a Migration Lens', Migration and Development Brief (World Bank, April 2020).

to monitor the implementation of existing policies and social investments, as well as in the design of strategies to make the best of Africa's demographic dividend. Moreover, it helps to design policies and strategies to reduce poverty and inequality, increase opportunities for young people, and better harness urban development for structural transformation. UNECA further assists in reducing geographic inequalities by supporting the development of spatial planning, especially for linking different areas and for ensuring access to basic services. UNECA further supports Member States RECs, and IGOs in developing national and regional analyses and policies for safe, orderly and responsible migration and mobility, helping to both provide regular legal avenues for migrants, as well as helping to promote employment opportunities, reduce poverty and inequality across sub-regions and the African continent as a whole.

UNECA's work on the African Gender and Development Index⁷⁵ has helped countries to monitor and assess their progress towards the aims of the Beijing Declaration and Plan of Action⁷⁶. UNECA is further assisting Member States in assessing the levels of expenditure needed in order to achieve targets under SDG 5 ('Gender equality and women's empowerment'), helping to inform future public policy and programming. UNECA has further worked to highlight actions to improve women's economic empowerment, through targeted policy measures and in the context of the AfCFTA. UNECA further works to reduce extreme poverty and income inequality through fostering Member States' policies on social investment, analysing social spending, assessing cost efficiency of investments, and promoting peer learning and sharing best practices.

In migration, UNECA has helped to assess progress and promote learning for migration policy through the support to the regional review of the Global Compact for Safe, Orderly and Regular Migration⁷⁷. UNECA further helps to expand the evidence base for migration policy through the development of research products and efforts to improve data collection and analysis capacities for migration.

UNECA's division for Gender Equality and Women's Empowerment supports efforts to accelerate progress towards implementation of Africa's gender-related commitments, while also supporting knowledge and evidence for policies and programmes that empower women and girls. The division for Poverty, inequality and social policy further works to support policies and evidence for the reduction of inequality and elimination of extreme poverty in Africa, while promoting policies for increased social investment. UNECA's other divisions and SROs work towards these goals, with SRO West Africa especially looking to gains from the 'demographic dividend' and SRO Northern Africa promoting policies for increasing employment.

Figure 4 contains the relevant outcomes for Transformation One.

Figure 4
Transformation One Outcomes

Results
Outcome 1.1: Reduced inequality, particularly gender inequality and inequality of access to social services and investment
Outcome 1.2: Member State policies take advantage of Africa's demographics, providing improved access to employment opportunities, especially among women and young people, and in urban areas
Outcome 1.3: Safe and orderly mobility and migration, within and between countries

⁷⁵ United Nations Economic Commission for Africa and African Development Bank, 'Bridging the Gender Gaps: The Africa Gender Index Report 2019', March 2020.

⁷⁶ United Nations and Department of Public Information, eds., *Beijing Declaration and Platform for Action: Beijing+5 Political Declaration and Outcome.*, 2014.

⁷⁷ United Nations, Global Compact for Safe, Orderly and Regular Migration (A/RES/73/195), 2018.

2. An integrated Africa

Overview

Over the past several decades, African leaders have placed greater regional integration as a key to national development efforts. The integration of African economies was part of the key objectives of the **Treaty Establishing the African Economic Community** (*Abuja treaty*)⁷⁸, while envisaging harmonization of rules and frameworks and removal of various barriers to common economic, social and cultural development. More recently, Agenda 2063 has highlighted the importance of increasing trade, infrastructure, and communications across the continent, promoting as one of the key aspirations for the Agenda “*An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance*”⁷⁹.

Integration matters for the development of the continent and the lives of its citizens. It brings the potential for improved material well-being, better employment prospects, higher rates of economic growth, as well as for greater variety and availability of a wide range of goods and services. It affects how cost-effective it is for businesses small and large to trade and export, helps support increases in productivity and competitiveness of Africa’s economies within the world at large, and helps to facilitate investment. On an individual level, integration affects where Africans choose to travel or work, how they communicate across borders, and how communities relate to each other across the continent.

This vision of integration has progressed on many levels. At the political level, Member States have progressively empowered the pan-African institutions to serve them in the process of achieving greater unity and solidarity between African countries and peoples, most notably through the launch of the African Union in Durban in 2002. This has enabled the development of African responses to the continent’s challenges, not least in supporting efforts at maintaining peace and security. On an economic level, trade within the continent has grown, but intra-regional trade remains less important than in other regions of the world⁸⁰. Within the continent, the **Regional Economic Communities** have been a focus for varying levels of cooperation and integration in their respective parts of the continent, helping also to promote the benefits of integration amongst various stakeholders and the general public⁸¹, and their integration processes are seen as an important element within the broader goal of African integration⁸².

Integration through trade

Reductions in poverty and inequality across the African continent will require efforts to maintain sustained and inclusive economic growth over the coming decades. One key potential driver of this growth is trade. While African trade with the rest of the world has been increasing, there is still a heavy reliance among African countries on a small number of commodity exports for the bulk of their extra-continental trade⁸³. Appropriate trade policies, supported by strong policies for economic governance and industrialisation, can help both increase the value of exports and the diversity of both exported goods and trade partners, while reducing the dependence on volatile commodity prices.

⁷⁸ Organization of African Unity, ‘Treaty Establishing the African Economic Community’ (1991).

⁷⁹ African Union, ‘Agenda 2063’.

⁸⁰ United Nations Conference on Trade and Development, *Economic Development in Africa Report 2019: Made in Africa : Rules of Origin for Enhanced Intra-African Trade*, 2019.

⁸¹ United Nations Economic Commission for Africa, ‘Regional Economic Communities’, United Nations Economic Commission for Africa, 2020, <https://www.uneca.org/oria/pages/regional-economic-communities>.

⁸² United Nations Conference on Trade and Development, ed., *Economic Development in Africa: Report 2013: Intra-African Trade, Unlocking Private Sector Dynamism*, Economic Development in Africa Series 2013 (New York? United Nations, 2013).

⁸³ United Nations, ‘Overview of Recent Economic and Social Conditions in Africa’.

The AfCFTA, covering the 55 countries of the African Union, is the world's largest free trade area in terms of number of countries covered. It has the potential to significantly increase intra-African trade while providing improved job opportunities, in particular in labour-intensive sectors, the informal sector, and for Africa's youth population. Finally, the AfCFTA will allow Africa to move and act as a single, powerful bloc, increasing its weight on the global stage.

While most sectors are expected to benefit from AfCFTA, Africa's industrial and manufactured exports are expected to benefit the most⁸⁴. This is expected to help drive economic diversification across the continent, where intra-African trade has typically relied much less on extractive or commodity goods. It is also expected to boost demand in labour-intensive industries, allowing for job creation and greater employment. Moreover, the development of supply chains across the continent presents an opportunity for small and medium sized businesses to become suppliers to larger companies and manufacturers. A movement towards more diversified economies and trade patterns, with growth in more value-added products and services, helps to promote more sustainable growth, as well as less volatile sources of government revenue.

The agreement is also seeking to reduce non-tariff barriers to intra-African trade, which are estimated to raise costs by 14.3%⁸⁵. As well as including trade in services, the agreement also looks to harmonize rules among a range of different sectors, these include rules around investment, intellectual property rights, and competition policy. Moreover, the agreement is one of several initiatives designed to facilitate commerce and movement of labour, including the Protocol on Free Movement of Persons, Right to Residence and Establishment, and the Single African Air Transport Market. Together this range of policies and agreements could increase trade value by up to 50% in 2040 compared with a no-change scenario, depending on the policy paths chosen⁸⁶.

Taking advantage of the opportunities of the AfCFTA in an inclusive manner will require effective policies and strategies for exports, as well as identification of opportunities for industrialisation and value-chain development. In particular, trade facilitation and productive capacities can be developed to ensure that trade benefits are realised for a large cross-section of the population, and that skills and capacities are enhanced for workers to fulfil their productive potential. These and a range of other factors have been identified in, for example, the **Boosting Intra-African Trade (BIAT) Action Plan**⁸⁷, helping African Member States to address key constraints to trade across the continent.

The COVID-19 pandemic introduces challenges to the implementation of the AfCFTA, not least the delay in the agreement taking effect. The capacities of both public and private sector in countries across Africa will likely be severely constrained in the first years of the 2020s, limiting the ability to fully take advantage of the agreement. However, over the medium-term free trade among African countries can help to drive economies, employment, and growth, helping to propel recovery from the social and economic fallout of the pandemic. It is therefore important that momentum for the agreement's implementation not be lost. This will include momentum towards the achievement of furthering and deepening trade ties, through for example, progress towards facilitating the trade in services between African countries.

⁸⁴ United Nations Economic Commission for Africa, 'African Continental Free Trade Area: Questions and Answers' (Addis Ababa, January 2020).

⁸⁵ United Nations Economic Commission for Africa.

⁸⁶ Vera Songwe, 'Intra-African Trade: A Path to Economic Diversification and Inclusion', *Brookings* (blog), 11 January 2019, <https://www.brookings.edu/research/intra-african-trade-a-path-to-economic-diversification-and-inclusion/>.

⁸⁷ African Union Commission and United Nations Economic Commission for Africa, 'Boosting Intra-African Trade' (Addis Ababa, 2012).

Infrastructure for greater integration

Meeting the 2030 targets for the SDGs in Africa, as well as the goals of the 2063 Agenda, will require significant increases in investment. For instance, an estimated additional \$130 to \$170 billion is required annually to meet the continent's infrastructure needs, for both new and replacement of existing stock⁸⁸. This includes infrastructure needed for basic service provision – for example over \$40 billion and \$20 billion annually is required to provide energy, and water and sanitation, respectively. While a lot of progress has been made in recent years, with the continent's annual infrastructure investment having doubled since the beginning of the century, significant gaps and investment opportunities remain.

This gap in financing of the continent's infrastructure needs has a significant effect on all areas of development, and therefore of achievement of the 2030 Agenda and Agenda 2063. For instance, 600 million sub-Saharan Africans, or around 48% of the population, lack reliable access to electricity, a number that is expected to remain stable in absolute terms until 2030⁸⁹. This is in itself a development challenge, while also reducing household productivity and incomes. For firms, electrical outages are estimated to cost 5% of annual sales⁹⁰ in sub-Saharan Africa, while poor quality transport infrastructure is estimated to generate an addition 30% to 40% of costs to intra-African trade⁹¹. Moreover, COVID-19 has exposed how gaps in communication and energy infrastructure lead to comparatively less resilience and more vulnerability in times of crisis and emergency. This financing gap is felt unevenly across the continent, with sub-Saharan Africa experiencing more than the north of the continent.

African countries can do more to help finance this gap through developing policies and initiatives to improve domestic resource mobilisation, including through tax revenue management, reducing the cost of remittances from diaspora populations, and developing robust capital markets to attract private investment. Currently mobilised domestic resources across all least developed countries, including African LDCs, are low – with around half of them falling below 15% of GDP, a level thought to be a minimum to fund basic state functions. Additionally, African countries can develop strategies and policies to reduce the estimated \$50 billion in annual illicit financial flows that leave the continent⁹², helping to build trust and confidence in the fairness of the tax, legal and financial systems, as well as in the effectiveness of government institutions and law enforcement. However, these measures should be implemented in line with efforts of African governments to not cause significant deterioration in national fiscal balances and to consolidate their fiscal positions.

Harmonization of policy frameworks for greater integration

The functioning of the AfCFTA is enhanced through common sectoral, trade and a range of other policies across the continent. While the AfCFTA already foresees greater harmonization in a range of areas, notably through the protocols for competition, intellectual property, and investment⁹³, there are a range of additional instruments that provide for enhanced integration in particular sectors or activities. Initiatives such as the **Single African Air Transport Market (SAATM)** help to facilitate the free movement of goods and people across the continent, enhancing the integration and connectivity, while

⁸⁸ United Nations Economic Commission for Africa, 'Summary and Key Messages of the Fifth Session of the Africa Regional Forum on Sustainable Development'.

⁸⁹ Organisation for Economic Co-operation and Development, '2019 Policy Note on Africa: Infrastructure and Regional Connectivity' (OECD, 2019).

⁹⁰ International Energy Agency, 'Africa Energy Outlook 2014', World Energy Outlook Special Report (Paris: IEA, 2014).

⁹¹ Organisation for Economic Co-operation and Development, '2019 Policy Note on Africa: Infrastructure and Regional Connectivity'.

⁹² OECD, *Illicit Financial Flows: The Economy of Illicit Trade in West Africa* (OECD, 2018).

⁹³ African Union, 'Agreement Establishing the African Continental Free Trade Area' (2019).

promoting tourism and trade⁹⁴. Policy governance cooperation through, for example, the **African Organisation for Standardisation**, as well as statutes such as the **Pan-African Intellectual Property Organisation** statute help to further facilitate greater integration⁹⁵.

Further complementary measures for promoting and facilitating trade and investment, developing the service sector in African economies, and sector specific strategies can all be used to enhance the benefits from the AfCFTA⁹⁶. Going forward, if African countries continue to make further steps towards a single market, a range of additional measures and support will be needed in order to develop the necessary institutional and regulatory frameworks at national and continental levels.

ECA's contribution

UNECA helps supports African trade and regional integration through support to drafting of trade agreements and related initiatives, advising on areas such as reduction of import tariffs and increasing investment, formulation of national policies and strategies to take advantage of trade agreements, building multi-stakeholder platforms and partnerships for trade at regional and sub-regional levels, and development of data collection and analysis tools for monitoring of trade and trade policies. Perhaps most significantly, UNECA has supported Member States in the formulation of the agreement outlining the AfCFTA.

UNECA has further promoted the benefits of integration through the AfCFTA through national multi-stakeholder fora and high-level advocacy programmes. It has assisted Member States in developing national strategies to take advantage of the AfCFTA, identification of national comparative and competitive advantages, trade and value-addition opportunities, key constraints on trade, and opportunities to develop or integrate supply chains.

UNECA's support in regional cooperation and integration helps address impediments to integration, such as lack of policy coherence. This support aims to help improve overall cohesion, coordination and responsiveness ('CCR') in initiatives to promote regional integration and development. For instance, UNECA formulates policy recommendations for harmonisation of regional integration frameworks, including for those of Regional Economic Communities, as well as for their integration into domestic policy. UNECA provides significant support to Member States for implementation of the AfCFTA and other trade agreements, especially to help maximise the trade and economic benefits, while minimising risk. It further helps RECs, IGOs and Member States to take measures to facilitate investment, including through adoption of intellectual property and competition policies. Finally, UNECA supports training and capacity development for negotiation and implementation of trade agreements.

UNECA promotes integration through supporting Member States in understanding and taking advantage of regional cooperation frameworks such as the Programme for Infrastructure Development in Africa (PIDA)⁹⁷. It also supports the enhancing private sector financing and investment for infrastructure, helping to identify investment and co-investment opportunities, including in energy and transport.

UNECA's division on Regional Integration and Trade works especially with Member States, RECS, IGOs and other actors to ensure that African economies receive the full range of benefits from the AfCFTA and regional integration more generally. UNECA SROs provide sub-regional support to these efforts, in close cooperation with UNECA's Regional Integration and Trade Division (RITD).

⁹⁴ United Nations Economic Commission for Africa et al., 'Assessing Regional Integration in Africa IX: Next Steps for the African Continental Free Trade Area' (Addis Ababa, September 2019).

⁹⁵ United Nations Economic Commission for Africa et al.

⁹⁶ United Nations Economic Commission for Africa et al.

⁹⁷ African Union, African Development Bank Group, and NEPAD, 'PIDA - General Terms of Reference', 2012, 20.

UNECA's Private Sector Development and Finance division works to support efforts to promote investment in a range of areas, including in energy and infrastructure.

Error! Reference source not found. below outlines the outcomes for Transformation Two.

Figure5

Transformation: Two outcomes

Results
Outcome 2.1: Increased trade within and outside the African continent
Outcome 2.2: Improved access to modern infrastructure connecting communities across Africa
Outcome 2.3: Harmonized policies and strategies for increased market integration

3. An innovative, connected Africa

Overview

The coming decades will continue to see rapid technological development creating new economic opportunities, while reforming old methods and job categories, and making others outdated or obsolete. Existing trends are likely to continue, in particular with the continent's internet penetration set to increase considerably⁹⁸. The use of scientific development and new technologies has been recognised as central to the achievement of the 2030 Agenda⁹⁹, with studies indicating the particular importance of information and communications technology (ICT), nanotechnology, artificial intelligence, machine learning, and other so-called fourth generation technologies¹⁰⁰. While other regions of the world are facing challenges from increasing automation and rapid technological change¹⁰¹, the African continent is doing so at the same time as it sustainably industrialises and integrates, providing unique challenges and opportunities.

Science, technology, and innovation feature strongly in the 2030 Agenda. SDG 17 on strengthening the means of implementation, has several targets dedicated to science and technology, fostering innovation is a key target in SDG 9 on infrastructure and industrialisation, while science and technology in general underpin the broad range of development goals. Moreover, the Addis Ababa Action Agenda (AAAA) recognised that *"the creation, development and diffusion of new innovations and technologies (...) are powerful drivers of economic growth and sustainable development"*¹⁰², which is further echoed in Agenda 2063 and the AU's Science, Technology and Innovation Strategy¹⁰³.

In order to provide long-term sustained growth, Africa needs to be both innovating and adopting technologies to local contexts and business conditions, as well as supporting its own systems of research, development, and commercialisation of technology and innovation, including innovation for

⁹⁸ International Telecommunications Union, 'Measuring Digital Development: Facts and Figures 2019' (Geneva: ITU, 2019).

⁹⁹ United Nations, 'UN Secretary General's Strategy on New Technologies' (UN, September 2018); P. P. Walsh, E. Murphy, and D. Horan, 'The Role of Science, Technology and Innovation in the UN 2030 Agenda', *Technological Forecasting and Social Change* 154 (1 May 2020): 119957.

¹⁰⁰ World Economic Forum and PwC, 'Unlocking Technology for the Global Goals', Frontier 2030: Fourth Industrial Revolution for Global Goals Platform (Geneva, January 2020); United Nations Development Programme and Economist Intelligence Unit, 'Development 4.0: Opportunities and Challenges for Accelerating Progress towards Sustainable Development Goals in Asia and the Pacific' (UNDP, 2018).

¹⁰¹ United Nations Development Programme and Economist Intelligence Unit, 'Development 4.0: Opportunities and Challenges for Accelerating Progress towards Sustainable Development Goals in Asia and the Pacific'.

¹⁰² United Nations, Addis Ababa Action Agenda of the Third International Conference on Financing for Development (AAAA).

¹⁰³ African Union Commission, 'Science, Technology, and Innovation Strategy for Africa 2024' (African Union, 2014).

sustainable development¹⁰⁴. This has been highlighted even more clearly by the COVID-19 pandemic which, though a global problem, underscores the role that African science and expertise can play in ensuring solutions are tailored to the continent's specific contexts. Indeed, Africa was at the forefront of some multinational efforts to address the COVID-19 challenge¹⁰⁵, while drawing on the experience of past disease outbreaks¹⁰⁶ and demonstrating innovation in the areas of epidemiological data and tracing¹⁰⁷.

Digital transformation

The digital economy in Africa is projected to grow to \$180 billion by 2025¹⁰⁸. Digital technologies, artificial intelligence, science, and innovation are creating emerging opportunities to increase productivity and economic opportunity and facilitate commerce and the provision of a range of services. Digital transformation provides a key opportunity to boost economic growth, facilitate industrialisation, and improve lives on the continent. Digital technology allows for improved connections between markets across Africa, as well as enabling access to financial and other services. Such a transformational approach should be comprehensive and inclusive, building on African knowledge and entrepreneurship, while collaborating across actors and sectors. Progress in several key areas is necessary to enable Africans to benefit from the digital revolution. In addition to a significant expansion of digital infrastructure and improving the affordability of internet access, there is a need to increase the digital skills base through training and education. Indeed, it is estimated that 230 million jobs across the continent will require some level of digital skills by 2030¹⁰⁹. Increasing the range of services that are available through digital platforms (including both public and private sector services), and fostering entrepreneurship¹¹⁰, will help develop local digital economies and innovative new business models. Importantly, these efforts should be undertaken within a regulatory framework that promotes data privacy and cybersecurity.

While Africa has been at the forefront of adoption of certain technological applications, notably mobile payment systems in Eastern and other parts of the continent¹¹¹, there are considerable challenges to increasing access to digital technology. However, overall numbers of potential users are growing. Figures from industry groups suggest that there were nearly 500 million mobile phone subscribers across the continent in 2020, and numbers are expected to exceed 600 million by 2025¹¹², with significant increases expected in Nigeria, Ethiopia, and the DRC.

There remain significant gaps when it comes to internet access and coverage. This is despite studies that demonstrate the significant economic benefits of increasing broadband internet penetration

¹⁰⁴ Xavier Cirera and William F. Maloney, *The Innovation Paradox: Developing-Country Capabilities and the Unrealized Promise of Technological Catch-Up* (The World Bank, 2017).

¹⁰⁵ Linda-Gail Bekker and Valerie Mizrahi, 'COVID-19 Research in Africa', *Science* 368, no. 6494 (29 May 2020): 919–919.

¹⁰⁶ United Nations Economic Commission for Africa, 'COVID-19 in Africa', 19.

¹⁰⁷ United Nations Economic Commission for Africa, 'COVID-19: Data for a Resilient Africa', 18 April 2020.

¹⁰⁸ United Nations Economic Commission for Africa, 'Building Forward for an African Green Recovery'.

¹⁰⁹ United Nations Economic Commission for Africa.

¹¹⁰ Cesar Calderon et al., 'Africa's Pulse, No. 19, Spring 2019: An Analysis of Issues Shaping Africa's Economic Future' (Washington, D.C.: World Bank, April 2019).

¹¹¹ United Nations Conference on Trade and Development, 'Mobile Money Holds Key to Financial Inclusion in Africa', 13 December 2018.

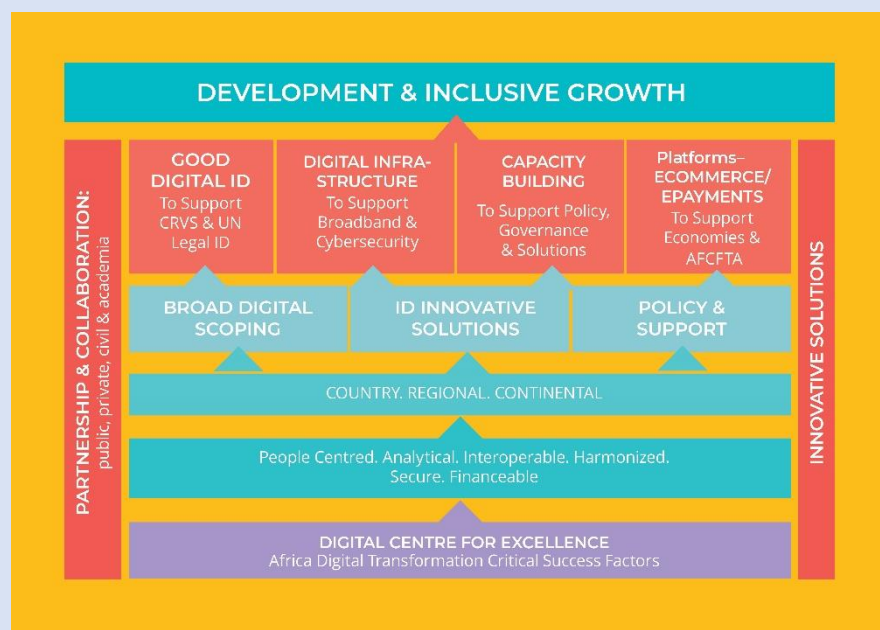
¹¹² GSM Association, 'The Mobile Economy Sub-Saharan Africa 2019', 2019.

ECA Digital Centre of Excellence

Figure 5

ECA Digital Centre of Excellence contribution to African development

The ECA Digital Centre of Excellence for Digital ID, Trade and Economy works together with the African Union, the UN System, RECs, and Member States, and other organisations to help the continent make use of the opportunities of digitalization in support to achievement of the SDGs and Agenda 2063. To meet the challenges and opportunities of digital transformation on a country, regional and continental basis, the Centre is undertaking critical initiatives that address the foundational areas required for digital transformation. Working in a complementary manner with the ECA's experts in areas such as infrastructure, trade, civil registration, and statistics, the Digital Centre of Excellence works within the three core ECA functions.



in developing economies¹¹³. Though estimates vary, the average African country is thought to only have around a quarter of its population with Internet access¹¹⁴, and with a significant difference in access by gender¹¹⁵. During COVID-19, this relative lack of coverage has restricted abilities of groups to adapt, for example through movement to remote or distance working and education. Getting nearly 1.1 billion new users access to reliable and affordable broadband services is thought to require an additional \$100 billion in investment across the continent by 2030, implying a need for substantial collaboration and cooperation across the public and private sectors in order to facilitate universal access¹¹⁶. In most places in Africa, this will likely mean expansion of mobile internet through '4G' and '5G' services¹¹⁷. In addition to deploying the necessary infrastructure and expanding coverage, key issues remain in affordability of mobile internet¹¹⁸, low levels of basic literacy and digital skills, device cost, and network quality and reliability¹¹⁹.

The expansion of digital financial services in parts of Africa has demonstrated the ability of African markets to rapidly deploy and expand digital services that are affordable for a range of different customers. By 2020, half of the world's digital financial service deployments were in Africa, with well

¹¹³ United Nations Economic Commission for Africa, 'ECA Policy Brief: Towards Improved Access to Broadband Internet in Support of Africa's Transformation', Policy Brief, 2018.

¹¹⁴ Cesar Calderon et al., *Africa's Pulse, No. 21, Spring 2020: An Analysis of Issues Shaping Africa's Economic Future* (The World Bank, 2020).

¹¹⁵ International Telecommunications Union, 'Measuring Digital Development: Facts and Figures 2019'; GSM Association, 'Connected Society: The State of Mobile Internet Connectivity 2019', July 2019.

¹¹⁶ International Telecommunications Union and United Nations Educational, Scientific and Cultural Organization, 'Connecting Africa Through Broadband', Digital Moonshot for Africa (Broadband Commission for Sustainable Development, October 2019).

¹¹⁷ International Telecommunications Union and United Nations Educational, Scientific and Cultural Organization.

¹¹⁸ Alliance for Affordable Internet, '2019 Affordability Report' (A4AI, 2019).

¹¹⁹ GSM Association, 'Connected Society: The State of Mobile Internet Connectivity 2019'.

over 300 million individual users¹²⁰. While initially these services have focused on person-to-person financial payments, there are a range of additional services that are enabled with easy access to this technology. These include an expanded set of financial services, such as loans and credit, but also access to a range of private and public sector services, such as digital identities to assist in provision of government services, including online tax payments, digital health and education services, etc.

Artificial intelligence will likely transform many industries over the coming years, with the global market for artificial intelligence expected to be in the hundreds of billions of dollars by the end of the 2020s. Given the wide scope of applications of artificial intelligence, it can help drive progress towards development goals and targets. Along with nanotechnology, these technologies represent an opportunity for Africa to play a leading role in innovation, driving changes that take into account the needs of African citizens and consumers. African applications of these technologies will require a mixture of investment, education and skills development, as well as national and regional policy mixes that promote innovation while protecting consumers and citizens.

Science, innovation, and entrepreneurship

Innovation and new technologies will shape the nature of production and employment across Africa in the coming decades. The ability of the continent to adopt and integrate new technology over the coming decades will help to improve the value added of African production, helping to increase productivity and incomes. Increased opportunities for entrepreneurship and the development of science, technology and innovation ecosystems across the continent can help drive employment, taking advantage of the demographic dividend, and furthering structural transformation. For this reason, the **digital, science**, and innovation environment across the continent should be complemented by policies to support sustainable business development.

Access to improved economic opportunities increases women's human, financial, and physical capital, helping to bring about material changes in their social and economic circumstances. Although there are significant regional variations, around two-thirds of women participate in the labour force, one of the highest rates in the world. However, only 20% of women are in paid employment, the rest being self-employed¹²¹. Among the latter, many are entrepreneurs operating in both the formal and informal parts of the economy, often in small-scale manufacturing and the service sector. In the context of COVID-19, this placed significant additional risk for women in terms of lost income or employment, and increasing vulnerability¹²². Even in pre-COVID circumstances, African women entrepreneurs faced a range of challenges that limited their ability to grow and develop their enterprises. Female entrepreneurs are disproportionately less likely to be able to access requisite finance and often must use retained earnings for future financing, limiting growth prospects. Better access to legal advice and mainstreaming gender into financial and business regulation can also help improved conditions for female entrepreneurs¹²³.

In addition to digital transformation and entrepreneurship, there are significant potential benefits to improving the ability of African countries to research, deploy, and commercialise science for achieving sustainable development. To this end, the African Union Science Technology and Innovation Strategy for Africa 2024 (STISA-2024) aims to accelerate Africa's transition to an innovation-led, knowledge-based economy¹²⁴. Realising this will however take a number of changes to the level of

¹²⁰ International Finance Corporation and Mastercard Foundation, 'Digital Access: The Future of Financial Inclusion in Africa' (IFC, May 2018).

¹²¹ United Nations Economic Commission for Africa, 'Women's Economic Empowerment: Boosting Women's Entrepreneurship in Africa'.

¹²² United Nations, 'Policy Brief: The Impact of COVID-19 on Women'.

¹²³ United Nations Economic Commission for Africa, 'Women's Economic Empowerment: Boosting Women's Entrepreneurship in Africa'.

¹²⁴ African Union Commission, 'Science, Technology, and Innovation Strategy for Africa 2024'.

resourcing of African research, how research is conducted, and how scientific research and innovation is turned into positive benefits for countries and communities.

In terms of production of original research, sub-Saharan Africa lags behind other regions for full-time equivalent researchers per million inhabitants, with just less than a hundred compared to the global average of over a thousand¹²⁵. Similarly, estimates of sub-Saharan Africa's share of global research output place it at less than one percent, compared with the continent's 16% share of the global population¹²⁶. The African Union target of 1% of GDP spent on research and development, while an improvement on current levels of 0.5% of GDP, is still below the world average of 2.2%¹²⁷. Moreover, many African countries lack science, technology and innovation (STI) policies, plans and strategies¹²⁸, and those that do have comparatively fewer resources and funding than in other regions. The development of STI strategies could be broadened to more countries, and made more explicitly inter-sectoral, linking together science and research with education and vocational training, entrepreneurship and the business environment, and sources of funding. The linkages between STI strategies and trade and industry, particularly in the context of the AfCFTA, could be further developed, along with strong institutional protections for intellectual property.

ECA's contribution

UNECA is focusing on assisting African countries and Regional Economic Communities (RECs) in the formulation, adoption and implementation of new technology and innovation policies that will help them accelerate the transformation process to improve the competitiveness of their firms, the welfare of their citizens, including ensuring their collective and individual security. UNECA can also assist in supporting countries to consider initiatives to promote entrepreneurship as part of their overall industrial strategies and policies.

UNECA also conducts research on national and regional innovation systems, technology transfer and on new and emerging technology likely to support economic transformation, and in key areas such as agriculture and social service delivery, where innovations and new technologies can support economic transformation and human resource development. UNECA can also support Member States in addressing and promoting gender equality in innovation and digital transformation of African economies.

UNECA provides technical assistance at the policy-level to implementation of the Digital Transformation Strategy for Africa¹²⁹, which UNECA supported the African Union in drafting. It also supports development of programmes and policy frameworks for the introduction of digital systems and methods in various sectors, including finance, transportation, and civil registration and the delivery of statistical and other public services. UNECA further develops knowledge products and promotes peer-learning on science, technology and innovation in service of sustainable development in Africa. Support from UNECA to policies for development a sound technical, scientific and industrial base further help to support both African innovation and entrepreneurship.

UNECA's division of Technology, Climate Change and Natural Resource development works especially on issues related to technology and Africa's digital transformation, while the division on

¹²⁵ World Bank, 'Researchers in R&D (per Million People)' (UNESCO Institute for Statistics, 2019).

¹²⁶ World Bank and Elsevier, 'A Decade of Development in Sub-Saharan African Science, Technology, Engineering and Mathematics Research', 2014.

¹²⁷ United Nations Economic Commission for Africa, 'ECA Policy Brief: Towards Achieving the African Union's Recommendation of Expenditure of 1% of GDP on Research and Development', Policy Brief (Addis Ababa, 2018).

¹²⁸ African Union, 'Contextualising STISA-2024: Africa's STI Implementation Report 2014 - 2019' (Addis Ababa, 10 December 2019).

¹²⁹ African Union, 'Digital Transformation Strategy for Africa (2020 - 2030)' (Addis Ababa, Ethiopia: African Union, 2020).

Private Sector Development and Finance helps to promote policies for further investment in these areas. Moreover, the African Centre for Statistics supports work on the provision of essential digital information, such as digital civil registration and vital statistics. UNECA's SROs and other divisions work together to support efforts to accelerate development of a conducive policy environment for science, technology and innovation.

Figure 6 below outlines the MTPF outcomes for Transformation Three.

Figure 6

Transformation Four Outcomes

Results
Outcome 3.1: Expanded access to and use of digital technologies
Outcome 3.2: Increased levels of entrepreneurship, especially among women
Outcome 3.3: Increased access to science, technology and innovation

4. An Africa of sustainable, productive industries and economies

The promotion of productive industries and sustainable exploitation of the continent's rich natural resources are key elements for furthering structural transformation, and the long-term growth and resilience of African economies. Improvements to productivity that come from structural transformation of African economies have potential to translate into increased incomes and better employment prospects, if supported by an appropriate mix of policies¹³⁰. Moreover, these productivity gains should be made in the context of protecting human health and development, as well as ensuring the long-term preservation of natural ecosystems that are already likely to be significantly impacted by a changing climate¹³¹.

While Africa's overall contribution towards climate change is small in comparison to other continents – only 4% of global annual carbon dioxide emissions¹³² – the continent is particularly vulnerable to the effects of climate change¹³³, due to its relatively poorly developed economies and infrastructure, large populations dependent on agriculture, as well as limited resources to respond to extreme climate events. Climate change in Africa threatens a range of development goals, particularly in least developed countries, with especially bad economic losses expected in the economies in and around the Sahara, as well as in West and Central Africa¹³⁴.

The combined need for growing economies, increasing productivity, and improving climate resilience across the continent represents an opportunity for African countries. With the development of integrated economies, there will be increased need for investment and infrastructure, as well as opportunities in economic diversification. Developing strategies for diversifying economies and trade patterns based upon low-carbon and low-resource intensity models, can help channel investment into areas that represent win-win scenarios for both economies and the environment.

¹³⁰ United Nations Conference on Trade and Development, 'How Labour and Macroeconomic Policies Can Contribute towards the Achievement of the Sustainable Development Goals' (UNCTAD, 17 December 2018).

¹³¹ Isabelle Niang et al., 'Chapter 22: Africa', in *AR5 Synthesis Report: Climate Change 2014*, IPCC Assessment Report (Geneva: Intergovernmental Panel on Climate Change, 2014), 22.

¹³² Hannah Ritchie and Max Roser, 'CO₂ and Greenhouse Gas Emissions', *Our World in Data*, University of Oxford Martin Programme on Global Development, 11 May 2017.

¹³³ Niang et al., 'Chapter 22: Africa'.

¹³⁴ Niang et al.; Food and Agricultural Organization of the United Nations (FAO), 'Climate Change in Africa: The Threat to Agriculture' (Accra: FAO, December 2009).

Decarbonizing industry, transport, and energy systems will reduce the climate impacts of African nations, while providing opportunities for technological, finance and business model innovation. Efforts to ensure the equitable nature of energy access, while ensuring reliability and resilience of the energy supply, have an opportunity to ‘leapfrog’ carbon-intensive and highly centralised energy distribution models. Policy, industry, and public support to the green economic initiatives can help promote more equitable use of environmental resources and improve environmental quality. Moreover, sector-wide initiatives can help bring Africa to the forefront of so-called ‘green economies’ helping to pioneer eco-friendly models in areas such as tourism, agriculture and fisheries, and exploitation of mineral resources.

Increasing productivity

Innovation and productivity have potential to help drive further gains in terms of incomes and reductions in levels of inequality. Increasing economic growth towards levels required to significantly impact achievement of the Sustainable Development Goals will require greatly increased productivity.

The private sector is an engine for driving forward production and productivity growth, as well as being a provider of means for financing development in Africa. Policies and strategies that encourage competitive environments for private business, foster innovation as well as more widespread adoption of information technology, and promote knowledge and skills development, can all support the private sector in increasing innovation and productivity. Importantly, policy-makers should work to ensure that such gains made through innovation and productivity translate into increases in incomes, helping to improve livelihoods as well as stimulating and supporting domestic demand¹³⁵.

Manufacturing’s share of African economies, at around 11%, has remained low compared with other world regions, and has actually declined since the 1980s, reflecting the continued reliance of African countries on raw materials and commodities, as well as low-productivity sectors¹³⁶. As a sector that makes significant contributions to increasing paid employment, there are considerable benefits to be had by increasing sustainable manufacturing’s share in African economies. Given the need for growth in incomes and reductions in inequality needed to achieve the goals of the 2030 Agenda and Agenda 2063, it is important for African economies to move up global value chains and increase the continent’s share of processing and manufacturing. Combined with trade policies, private sector development, and investment in skills and training, new and revitalised industries can help the continent make the most of its demographics.

Structural transformation presents many opportunities and policy options for African policy and decision-makers. Importantly, given Africa’s relatively late industrialisation, it affords the continent an opportunity to ‘leapfrog’ outdated and less efficient industrial technologies, processes, and practices. There is potential for ensuring that Africa’s industrialisation takes advantage of new science, technologies, and innovation, particularly for environmentally sensitive business practices¹³⁷. In this way, green industry and growth can help drive achievement of a range of social, economic and environmental goals in sustainable development.

Investment into sustainable resource use and the green, blue and circular economies

¹³⁵ United Nations Conference on Trade and Development, ‘How Labour and Macroeconomic Policies Can Contribute towards the Achievement of the Sustainable Development Goals’.

¹³⁶ African Development Bank, ‘African Economic Outlook 2019: Macroeconomic Performance and Prospects’; United Nations Economic Commission for Africa, *Transformative Industrial Policy for Africa* (Addis Ababa, 2016).

¹³⁷ United Nations Economic Commission for Africa, ed., *Greening Africa’s Industrialization*, Economic Report on Africa 2016 (Addis Ababa: Economic Commission for Africa, 2016).

Africa is rich in resources that support social and economic development. For instance, mineral resources are abundant with an estimated 30% of global mineral resources in the continent but with only a small fraction under exploitation¹³⁸. Hydrocarbons remain an important export for a number of African countries, sometimes the single biggest source of export revenue. Many African economies, and a large number of African citizens, are dependent on agriculture – which represents 15% of African GDP and the largest number of active workers¹³⁹. The environmentally sound exploitation of natural resources is critical in order to ensure that Africa’s natural riches are used in a way in which damage to natural systems is minimised or eliminated, and where the proceeds benefit communities, countries, and the continent as a whole.

Greening Africa’s industrialisation offers a range of new opportunities that can further contribute to the continent’s structural transformation. Policies to help promote green and climate resilient forms of agriculture could the considerable number of Africans dependent on the agricultural sector, particularly if these policies work to support smallholder farmers to adopt new methods and technologies. The significant infrastructure investments needed in areas such as water, energy and transport – estimated at \$360 billion between the mid-2010s and 2040 in order to achieve sustained economic growth¹⁴⁰ – will require a mixture of long-term planning, policies and strategies to deliver both public and private investment, as well as technology acquisition. Other initiatives, such as addressing pricing and access to resources, managing and reducing negative effects of existing industries, financing, and facilitating job growth in green sectors, will require coherent multi-sectoral approaches to policy making¹⁴¹. Such approaches would also enable countries across the continent to benefit significantly from its considerable water and marine resources¹⁴².

The Blue Economy¹⁴³ includes all the aquatic and marine spaces across the continent. It encompasses fisheries and aquaculture as well as tourism, transport, energy, and exploitation of underwater mineral and other resources. Together these sectors and components of the African Blue Economy generate an annual total of \$296 billion and support nearly 50m jobs. Development of Blue Economies requires an integrated policy and programmatic approach that recognises the interrelationships between economic growth on the one hand and health, and productive ecosystems on the other. Multi-sectoral approaches, recognising the shared challenges and mutual interdependencies among the different industries that make up the Blue Economy, will be needed to bring together stakeholders from across society and levels of government.

Investing in climate action

Preparing African economies and societies for a warming world entails recognising both the breadth of climate-related effects that are impacted as well as the scale of the challenge ahead. Climate impacts threaten communities, infrastructure, agriculture, and a range of other areas. For example, changes in precipitation patterns risk flooding in parts of the continent, as well as threatening food security and contributing towards one of the worst desert locust outbreaks in the Horn of Africa within the last 25 years¹⁴⁴. Increasing water stress in Africa are likely in several climate scenarios¹⁴⁵, raising

¹³⁸ African Development Bank, ‘Catalyzing Growth and Development Through Effective Natural Resources Management’ (Abidjan: African Development Bank, 2016).

¹³⁹ ‘Agriculture in Sub-Saharan Africa: Prospects and Challenges for the next Decade’, in *OECD-FAO Agricultural Outlook 2016-2025*, by OECD and Food and Agriculture Organization of the United Nations, OECD-FAO Agricultural Outlook (OECD, 2016), 59–95.

¹⁴⁰ United Nations Economic Commission for Africa, *Greening Africa’s Industrialization*.

¹⁴¹ United Nations Economic Commission for Africa.

¹⁴² United Nations Economic Commission for Africa, ed., *Africa’s Blue Economy: A Policy Handbook* (Addis Ababa, Ethiopia: Economic Commission for Africa, 2016).

¹⁴³ United Nations Economic Commission for Africa.

¹⁴⁴ WMO, ‘WMO Statement on the State of the Global Climate in 2019’, 2020.

¹⁴⁵ Niang et al., ‘Chapter 22: Africa’.

questions which groups get prioritised in accessing this resource. Moreover, Africa is thought to be particularly vulnerable to the health effects of climate change, with both direct and more indirect impacts helping to increase malnutrition and contribute to the spread of disease¹⁴⁶.

Africa has taken a range of measures to help address these threats. All African countries have signed the **Paris Agreement**¹⁴⁷ and fifty of the continent's fifty-four countries have ratified the agreement, with nationally-determined contributions (NDCs) implying close to \$3 trillion in financing for their implementation¹⁴⁸. The significant amount of estimated investment need is further reflected in estimates of the current and potential impact of climate change on African countries and economies. Addressing this significant financing gap requires integrated approaches that can translate NDCs into coherent and cross-cutting investments, while ensuring that the national regulatory environment is sufficiently attractive to investors¹⁴⁹. While investment in both adaptation and risk mitigation measures can help to reduce the impact of climate change on human populations, efforts to boost intra-African trade can also help increase climate resilience through improvements in food security, particularly for key agricultural commodities¹⁵⁰.

On an international level, it is important that African voices are heard when deciding global measures to help reduce the impact of climate change, particularly given the increased vulnerability of many African countries to a changing climate. **The African Group of Negotiators on Climate Change** have helped to develop common positions at an international level however much more needs to be done to drive change forward. While it is important to push for more aggressive emissions reduction targets, particularly for the world's biggest emitters, it will also be important to ensure that all post-COVID economic reconstruction internationally is done with an eye to respecting planetary boundaries. Whole-of-society approaches that recognise the interrelated and inter-sectoral nature of climate issues, and link across countries and continents, can help to drive the urgent response to the climate crisis¹⁵¹.

Connected urban development

Urbanization has strong connections to all three pillars of sustainable development, economic, social, and environmental. National and international efforts to address inequality in Africa will deal with more highly-urbanized populations, while climate change and resource competition increasingly impact upon the most vulnerable areas of cities. Although the connection between urban growth and economic growth is perhaps not so clear cut in the context of Africa, cities do concentrate wealth and resources and provide employment and other opportunities to millions of Africans. As focal points for education, public services, innovation, trade and information, Africa's cities have the potential to help drive improvements to social and economic opportunity.

Over the coming decades, the continent is expected to catch up to other world regions as its population rapidly urbanises. By the 2030s, half of Africans are expected to living in urban areas, up

¹⁴⁶ African Climate Policy Centre, 'Policy Brief 12: Climate Change and Health in Africa' (Addis Ababa, 2013).

¹⁴⁷ United Nations Framework Convention on Climate Change, Paris Agreement; United Nations, 'United Nations Treaty Collection', United Nations Treaty Collection, 26 June 2020, https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=XXVII-7-d&chapter=27&clang=_en.

¹⁴⁸ United Nations Economic Commission for Africa, 'Stepping up Climate Action for a Resilient Africa – a Race We Can and Must Win' (Addis Ababa: Eighth Conference on Climate Change and Development in Africa, 30 August 2019).

¹⁴⁹ Linus Mofor, 'Scaling Up Climate Action' (Fifth session of the Africa Regional Forum on Sustainable Development, Marrakech, 16 April 2018).

¹⁵⁰ African Climate Policy Centre, 'Policy Brief 17: Trade Can Induce Climate-Resilient Reforms for Food Security in Africa', 2013.

¹⁵¹ African Climate Policy Centre, 'Climate Change and Development in Africa Post COVID-19: Some Critical Reflections' (Addis Ababa, June 2020).

from 43% in 2019¹⁵² and less than 10% in the 1950s¹⁵³. In absolute terms, Africa's urban population is set to increase by 300 million people between 2015 and 2030, potentially reaching a total of 1.5 billion by 2050¹⁵⁴, as a result of both high rates of fertility and rural-urban migration¹⁵⁵. The shape of this future urbanization will be set by spatial and urban planning as well as by both public and private investment flows.

This poses a challenge in terms of national economic, employment, infrastructure, and spatial planning. National development strategies and policies could reflect the increasingly urban nature of their populations, responding with urban job creation and investment strategies, tied to larger development policy and strategy. It also implies investment in efforts in managed urbanisation and structural transformation of urban economies and industries¹⁵⁶. Spending on infrastructure¹⁵⁷ to support urban areas will be a significant part of overall infrastructure spending, and the coming decades represent an opportunity to deploy environmentally and climate sensitive infrastructure in support of structural transformation and sustainable industries and communities¹⁵⁸. Integrated approaches that link national and urban planning, with a focus on service provision, productivity and key economic sectors have potential to deliver significant changes to lives and livelihoods¹⁵⁹.

ECA's contribution

UNECA supports RECs and Member States by reviewing private sector and investment policies, and legal and regulatory frameworks, helping to identify the incentives and constraints that operate within different sectors. These policies will include efforts at improving competitiveness and attracting investment. UNECA supports efforts to help the private sector in African countries invest in new and emerging technologies, as well as in areas that support sustainable business models.

Moreover, UNECA supports Member States in understanding the potential of the 'green' and 'blue' economies, in their particular national contexts. It further helps Member States to formulate policies and programmes to support economic development of these economies, including through initiatives such as the Africa's Blue Economy Policy Handbook¹⁶⁰ and the Blue Economy Valuation toolkit¹⁶¹.

UNECA helps to develop macroeconomic models and conducting simulations with Member States in order to contribute to strengthening sustainable economic diversification. It further contributes to development and implementation of economic diversification strategies and industrial plans. Furthermore, through support to policies that help to redirect resources to high-potential areas of economic growth, UNECA helps to promote increased productivity and employment.

¹⁵² United Nations, 'Long-Term Impact of Current Trends in the Economic, Social and Environmental Areas on the Realization of the Sustainable Development Goals'.

¹⁵³ United Nations, Department of Economic and Social Affairs, and Population Division, *World Urbanization Prospects: The 2018 Revision*, 2019.

¹⁵⁴ United Nations, Department of Economic and Social Affairs, and Population Division.

¹⁵⁵ United Nations, ed., *The Demographic Profile of African Countries* (Addis Ababa, Ethiopia: Economic Commission for Africa, 2016).

¹⁵⁶ United Nations Economic Commission for Africa, 'Urbanization and National Development Planning in Africa' (Addis Ababa: UNECA, 2017).

¹⁵⁷ Italian Institute for International and Political Studies, 'Africa 2063: How Cities Will Shape the Future of a Continent' (ISPI, 31 May 2018).

¹⁵⁸ United Nations Economic Commission for Africa, 'Urbanization and Industrialization for Africa's Transformation' (Addis Ababa: UNECA, 2017).

¹⁵⁹ United Nations Economic Commission for Africa, 'Urbanization and National Development Planning in Africa'.

¹⁶⁰ United Nations Economic Commission for Africa, *Africa's Blue Economy*.

¹⁶¹ United Nations Economic Commission for Africa, 'Blue Economy Valuation Toolkit | United Nations Economic Commission for Africa', August 2021.

UNECA further supports Member States, RECS and IGOs in development of environmentally sustainable management of natural resources, and integrated natural resources development, as well as the beneficiation and value addition of natural resources, particularly in the extractive sector. UNECA supports the development of green and blue economy strategies and policies, especially in the context of industrialisation, economic diversification, and trade¹⁶². UNECA supports Member States in integrating climate resilience into national sustainable development plans, while also working to help Member States increase investment in climate action within the reduced fiscal space of the post-COVID era.

UNECA's support to stakeholders in private sector development and finance will support governments in the creation of an enabling environment that includes adequate skills in project preparation and management, the availability of adequate financial products and institutions, a business-friendly environment, adequate hard and soft infrastructure, including the legal framework, comprehensive risk management and political leadership. UNECA will also convene and work closely with a range of African and international partners, especially in infrastructure development, employment creation, and agriculture and land policies.

The 2030 Agenda encourages Member States to participate in *Voluntary National Reviews* (VNRs)¹⁶³, aiming to facilitate sharing of experiences, lessons learned, and further promoting implementation of the Sustainable Development Goals. The VNRs and similar processes, especially the Voluntary Local Reviews (VLRs), help to strengthen policies and institutions, while mobilising support of donors and other partners for the implementation of the SDGs. Reporting on progress towards the 2030 Agenda and Agenda 2063 through processes such as these helps to promote government transparency and accountability, while also highlight areas where more resources need to be allocated, or else where successful experiences could potentially be replicated. UNECA supports Member States in the VNR and VLR process, helping to share best practices.

UNECA further supports Member States in integrating urban policies and programmes into national sustainable development planning, in order to better facilitate the diversification of urban economies and support urban job creation. It further supports the development of investment frameworks for urban areas, and raises the profile of urban programmes and investment as a driver of the overall structural transformation of African economies.

UNECA's Technology, Climate Change, and Natural Resource management division helps to supply knowledge products and increasing national capacities in climate change, green and blue economies, and natural resource management. It also champions technology as a means to further sustainable, structural transformation of African economies. These efforts are also promoted through the work of each of UNECA's SROs, most especially UNECA SRO East Africa which has a focus on AfCFTA and Blue Economy issues. SRO Southern Africa and SRO Central Africa provide particular support to policies to promote sustainable industrialisation and economic diversification, respectively.

Since 2010, UNECA has hosted the African Climate Policy Centre (ACPC). The Centre promotes climate-resilient development in Africa through the provision of support to national and regional climate policies, programmes and plans. It has produced reports and analysis on climate policy in Africa as part of the post-COVID green recovery process¹⁶⁴.

Figure 7 outlines the MTPF Outcomes for Transformation Four.

¹⁶² United Nations Economic Commission for Africa, 'Building Forward for an African Green Recovery'.

¹⁶³ United Nations, 'Voluntary National Reviews', Sustainable Development Knowledge Platform, 2019, <https://sustainabledevelopment.un.org/vnrs/>.

¹⁶⁴ United Nations Economic Commission for Africa, 'African Climate Policy Centre - Publications | United Nations Economic Commission for Africa', August 2021, <https://www.unece.org/african-climate-policy-centre/publications>.

Figure 7
Transformation Three Outcomes

Results
Outcome 4.1: Increased productivity, diversity and competition in value chains and production patterns
Outcome 4.2: Environmentally and socially conscious policies and strategies for the development of green economies
Outcome 4.3: Increased sustainable industrialisation and small-scale industrialisation
Outcome 4.4: Coherent and inclusive urbanisation

5. An Africa of stable and effective institutions

Overview

An Africa that provides a safe, secure environment for its populations and whose governments can make effective, evidence-informed decisions will underpin efforts at supporting human development, promoting continental integration, developing sustainable industry, and driving entrepreneurship and innovation. Weak or dysfunctional governance can breed impunity among officials, misallocation of productive resources and investment, ineffective or counterproductive policies and institutions, as well as exclusion of the population. The promotion of ‘good governance’ – where authorities have legitimacy, accountability, respect for law and protection of rights, and competence¹⁶⁵ – facilitates implementation of a range of different social and economic development policies. Interconnected issues in development planning, resource governance, dealing with illicit financial flows and other illegal activities, as well as many other aspects of financial, economic and sectoral planning, are dependent on having effective, well-informed decision-makers, and inclusive and transparent institutions and processes.

Stable, effective and productive institutions are a priority for the continent. Effective governance is a central supporting element of the 2030 Agenda as well as a specific goal in itself (*Goal 16 on ‘Peace, justice and strong institutions’*). Governance features as one of the key ‘Aspirations’ of Agenda 2063 (*‘Aspiration 3: An Africa of good governance, democracy, respect for human rights, justice and the rule of law’*). The African charter on Democracy, Elections and Governance – which a majority of AU member states have signed – outlines the importance of economic and corporate governance, consisting of inter alia, effective public sector management, transparency in public finances, enabling regulatory frameworks for the private sector, public debt management, and transparent and effective tax systems¹⁶⁶. Progress in these specific areas, as well as in governance more generally, can have a transformative effect on the efficiency, effectiveness, and responsiveness of national institutions.

Promoting peaceful development

The existence of peace, security, stability and good governance is a prerequisite to achieve sustainable economic development. As one of the Pan-African institutions, UNECA works to promote good and effective governance, as well as the social and economic conditions for lasting growth, stability, and sustainable development. UNECA works together with other institutions of the United Nations system, RECs, as well as Member States, and other national and international partners to support peacebuilding and keeping initiatives. UNECA also supports and responds to Member State

¹⁶⁵ African Peer Review Mechanism and African Governance Architecture, ‘The African Governance Report’ (African Union, January 2019).

¹⁶⁶ African Union, ‘African Charter on Democracy, Elections and Governance’ (2007).

needs in times of crisis, unexpected events, or through ad-hoc initiatives or demands, using its position and expertise to support African development. For instance, recent initiatives have included support in developing responses to the social and economic effects of the Ebola epidemic, as well as support to convening an emergency funding mechanism to help deal with the crisis¹⁶⁷.

COVID-19 has brought additional challenges in peace and security, as well as rebuilding post-conflict societies and economies. As the UN Secretary General has stated, continued multi-stakeholder engagement is necessary in peace processes even during the pandemic, and such dialogues should feature women and disadvantaged populations at their core¹⁶⁸. As was seen with Ebola, disease outbreaks can expose and exacerbate structural issues, not least in already fragile contexts. In the post-COVID period, it will therefore be doubly important that improvements in peace and security are translated into material gains for local populations, including new social and economic opportunities, in order to ensure long-term stability.

Addressing Africa's debt

COVID-19 continues to influence the outlook for human and economic outcomes in Africa over the next few years. Projections of economic growth over the next few years show considerable supply-side and trade shocks, as well as depressed demand for African products and declining GDP figures. This has the potential to push millions of Africans into extreme poverty while continuing to undermine social safety nets in many countries¹⁶⁹.

Even prior to COVID-19, African countries had seen rises in overall debt levels at the same time as a need for investment to achieve development goals. Contributing factors included a spike in fiscal deficits in the mid-2010s with a subsequent increase in gross public debt, and more especially low government revenues (related to countries' ability to raise tax revenue)¹⁷⁰. The number of countries with debt levels of less than half of GDP had decreased from around 40 in 2011 to 23 in 2018. The number of African countries with debt levels between 60-75% of GDP rose from two to ten, while the number of countries with public debt levels in excess of 75% doubled in the same period¹⁷¹. Dealing with this challenge, countries could increasingly look towards reducing reliance on foreign-denominated debt, and especially develop strategies and policies to increase domestic revenue collection, particularly as tax ratios in Africa are still among the lowest in the world¹⁷².

Post-COVID-19, there will be significant demand for debt relief for countries across the continent. This debt relief could enable African governments the flexibility to provide the necessary support to health delivery and employment relief for their populations to cope with the crisis. Governments and the international community have mobilised to provide initial support¹⁷³, but there is likely need for additional support¹⁷⁴. Moreover, some countries may require emergency budgetary support as well as access to special financing instruments to provide liquidity to private and financial sectors, as well as other economic actors.

¹⁶⁷ United Nations, ed., *Socio-Economic Impacts of Ebola on Africa*, Revised edition (Addis Ababa: United Nations Economic Commission for Africa, 2015).

¹⁶⁸ United Nations, 'Secretary-General's Remarks to the Africa Dialogue Series on COVID-19 and Silencing the Guns in Africa: Challenges and Opportunities', United Nations Secretary-General, 20 May 2020.

¹⁶⁹ United Nations Economic Commission for Africa, 19.

¹⁷⁰ United Nations, 'Overview of Recent Economic and Social Conditions in Africa'.

¹⁷¹ United Nations.

¹⁷² Brookings Institute, 'Foresight Africa: Top Priorities for the Continent in 2019' (Brookings Institute, 2019).

¹⁷³ World Bank, 'Debt Service Suspension and COVID-19', World Bank, 11 May 2020, <https://www.worldbank.org/en/news/factsheet/2020/05/11/debt-relief-and-covid-19-coronavirus>.

¹⁷⁴ Jesse Griffiths, 'African Countries Are Leading the Way on Preventing Covid-19 Debt Crises', ODI, 17 April 2020.

Promoting macroeconomic stability

Sound macroeconomic policy and improved economic governance structure are vital to achieving the 2030 Agenda and Agenda 2063. UNECA's support to macroeconomic policy development assists Member States, RECS and IGOs in achieving twin objectives of stability and development. A forward-looking set of policies in public and private investment, investment coordination, resource mobilisation, and in fiscal and monetary areas, help to underpin economic growth as well as governments' ability to drive the development agenda. Support to robust institutions and systems of governance help to underpin these policies, facilitating their implementation and establishing the reliability and trustworthiness of state actors.

The COVID-19 pandemic has threatened macroeconomic stability across the continent. The economic effects of the disease and subsequent public health measures have led to declines in economic activity, trade, agricultural output, commodity prices among many other areas. Potentially tens of millions may be pushed into extreme poverty, with increases in vulnerability and likely persistent poverty¹⁷⁵. Measures to counteract the human and economic effects of the disease risk significantly increasing deficits as well as debt loads and debt servicing costs. Issues of macroeconomic stability in Africa during the post-COVID era are therefore closely tied to the debt burden that countries are facing.

Developing fiscal space

Fiscal policy can be used to promote equitable growth, as well as economic and structural diversification of African economies¹⁷⁶. Tax and spending policies can contribute to the production of public goods such as public health and safety, as well as education programmes, helping to improve long term outcomes in incomes and equality. Other instruments can help to reduce income inequality or encourage human capital accumulation. Efficient public investments can help promote long-term economic growth while supporting private sector productivity. Governance and fiscal reforms can further help support structural transformation of African economies¹⁷⁷.

Prior to the pandemic it was estimated that African governments needed to raise an estimated additional 11% of GDP per year to close the SDG financing gap¹⁷⁸. Following the downturn of economic activity due to COVID-19, the implications for public finances and tax revenues are significant. Government revenue in African countries, at an average of 21.4% of GDP, remains low when compared with the long-term financing needs post-pandemic and in the context of the goals of the 2030 Agenda and Agenda 2063¹⁷⁹. The combination of high initial debt and fiscal deficits pre-COVID, higher borrowing costs, falling tax revenues, and depreciating currencies do not bode well for maintaining necessary public investment¹⁸⁰. Both the recovery from the social and economic effects of COVID-19, as well as achievement of development goals will depend on a transformation of the fiscal environment.

Increased fiscal space¹⁸¹ allows governments more budgetary room without sacrificing fiscal sustainability. Fiscal space also involves clear consideration of nature and purpose of public spending. Due regard should be made to the efficiency of expenditures and how they relate to the country's goals

¹⁷⁵ United Nations Economic Commission for Africa, 'COVID-19 in Africa'.

¹⁷⁶ United Nations Economic Commission for Africa, ed., *Economic Report on Africa: Fiscal Policy for Financing Sustainable Development in Africa* (Addis Ababa, 2019).

¹⁷⁷ United Nations Economic Commission for Africa.

¹⁷⁸ United Nations Economic Commission for Africa.

¹⁷⁹ United Nations Economic Commission for Africa.

¹⁸⁰ United Nations Economic Commission for Africa, 'COVID-19 in Africa', 19.

¹⁸¹ UNECA defines fiscal space as the difference between the government's debt limit and the current debt level. UNECA considers two thresholds when assessing fiscal space: 50% of GDP (the IMF recommended threshold for developing countries) and 40% of GDP (the pre-COVID African average).

in sustainable economic and social development. Fiscal space gives decision-makers freedom to make these and a range of other policy measures, allowing governments to reach alignment between their national development needs and the allocation of resources to achieve them. Government financing, though improved ability to tax or to access investment funds, can further the support of infrastructure development, as well as increasing access to energy and other services. Together this supports private sector development, as well as geographic and other inequalities (particularly in access to services and infrastructure), serving as a catalyst for accelerating the achievement of a range of national sustainable development objectives. Entering the post-COVID era, a combination of strong multilateral cooperation, debt relief and increased national capacities to both raise revenues and direct spending most effectively will be necessary to help rebuild and transform African economies¹⁸².

Developing effective decision-making capacity

National capacities to produce and analyse statistical and other kinds of evidence are essential to effective planning, monitoring and implementation of sustainable development policies and interventions. Improving statistical operations such as conducting census and surveys, as well as producing and using administrative statistics, help to increase institutional abilities to understand and react to changing policy conditions. Newer technologies and methods, including increased use of geographic information systems and mapping, can help better target policies and interventions. Moreover, the production of harmonised data and evidence facilitates communication and cross-country comparison, helping to further regional and international strategy and policy making.

Policies and programmes that support structural change and sustainable development need to rest upon a solid evidential basis. The *AU-UN Framework on Implementation of Agenda 2063 and the 2030 Agenda*¹⁸³ makes clear that significant investments in analytical capacity need to be made in order to support evidence-based policy-making across the continent. This includes the capacity to review and evaluate the impact of sustainable development strategies and plans, from the perspectives of social, economic and environmental sustainability.

ECA has provided targeted assistance to integrate data and measures for monitoring poverty and integrating the SDGs into national development planning instruments. It has further provided specific capacity development to enhance the capacity of national and regional entities for evidence-based policy making and implementation. The production of Country Profiles has helped disseminate essential knowledge of macroeconomic and social policies and conditions to a range of stakeholders, as well as helping to evaluate countries' macroeconomic and social performances and potential risks on a regular basis, supporting the provision of high-level practical and strategic recommendations.

ECA's contribution

The existence of peace, security, stability and good governance is a prerequisite to achieve sustainable economic development. As one of the Pan-African institutions, UNECA works to promote good and effective governance, as well as the social and economic conditions for lasting growth, stability, and sustainable development. UNECA works together with other institutions of the United Nations system, RECs, Member States, and other national and international partners to support peacebuilding and keeping initiatives. UNECA also supports and responds to Member State needs in times of crisis, unexpected events, or through ad-hoc initiatives or demands, using its position and expertise to support Member State development. For instance, recent initiatives have included support in developing responses to the social and economic effects of the Ebola crisis, as well as support to convening an emergency funding mechanism to help deal with the crisis.

¹⁸² United Nations, 'Sustainable and Resilient Recovery from the Coronavirus Disease Pandemic That Promotes the Economic, Social and Environmental Dimensions of Sustainable Development'.

¹⁸³ United Nations Economic Commission for Africa, 'AU - UN Framework on Implementation of Agenda 2063 and 2030 Agenda', January 2018.

UNECA contributes a wide range of relevant expertise to assist Member States in preparing VNRs and VLRs, in support of strengthening implementation, follow-up, and review of progress towards the 2030 Agenda at national and local levels. For example, UNECA has developed an [Integrated Planning and Reporting Toolkit \(IPRT\)](#) that helps Member States to both adopt and integrate the 2030 Agenda and Agenda 2063 into their national development planning. UNECA further contributes to African countries in the development and implementation of macroeconomic models to aid in their policy formulation and implementation process.

UNECA is further supporting a range of initiatives to help build the foundations of Africa's recovery from COVID-19, for example through accelerating debt relief and improving financing. UNECA is providing technical assistance to African governments to help them understand their needs under the G20 Debt Suspension Service Initiative (DSSI)¹⁸⁴ – an effort at temporary suspension of national debt service payments. Moreover, UNECA advocates the use of a the Liquidity and Sustainability Facility (LSF), a special purpose vehicle that aims at leveraging new allocations of Special Drawing Rights (SDRs) to help stimulate recovery and growth of the private sector¹⁸⁵. UNECA will also support Member States in developing innovative financial instruments for increased resource mobilization. It will also support Member States in developing their capacities to deepen financial markets and mobilize long-term investment, helping to further achievement of sustainable development objectives.

UNECA's support to data collection and statistical analyses, gap analyses, reviews of policy and strategy implementation, and national capacity development all have potential contributions to national review and understanding of progress in sustainable development. Given the wide ranging nature of these reviews and of sustainable development in general, the breadth of UNECA's subprogrammes as well as the sub-regional offices can provide valuable support and advice to RECs, IGOs and Member States. Of particular importance is supporting Member States in the production and dissemination of comparable statistics and national accounts.

UNECA's division for Data and Statistics and the division for Macroeconomics and Governance work to ensure that policy and programme decisions are made using the best available evidence and analysis. The African Institute for Economic Development and Planning (IDEP) works to help Member States to improve their capacities in these areas. Together with the other UNECA divisions and SROs, these divisions help to ensure that decision-makers can work to create the conditions for lasting, sustainable growth and development.

Figure 8 below outlines the MTPF outcomes for Transformation Five.

Figure 8

Transformation Five Outcomes

Results
Outcome 5.1: Member State development plans and policies integrated measures to promote macroeconomic stability, inclusive growth, and SDG alignment
Outcome 5.2: Increased fiscal space and resource mobilisation towards priorities in sustainable development
Outcome 5.3: Member States and other entities responded effectively to emergency situations, and promote peace and human security through economic development
Outcome 5.4: Increased use of data, statistical, and other evidence for policy and decision-making

¹⁸⁴ World Bank, 'Debt Service Suspension and COVID-19'.

¹⁸⁵ United Nations, 'Report of the Conference of Ministers on the Work of Its Fifty-Third Session' (Addis Ababa, 1 April 2021).

Part Two

Operational framework

Section Three: Implementing the MTPF

UNECA helps to connect global and local issues, as well as offering African regional perspectives on global issues, promoting coordination and cooperation. Among UN actors, UNECA acts as the lead voice of the United Nations development system on policymaking, research and the production of knowledge projects at the regional level that nurture integration and balanced progress on sustainable development.

At a country level, UNECA works with UN Country Teams who are the main interlocutors of the UN system in their respective countries. UNECA brings together expertise and perspective on the regional and sub-regional levels, helping inform UN support to national policy and decision-making. In that context, UNECA also provides analysis and advice to RECs, IGOs and Member States within its areas of expertise and in line with development priorities.

The regional dimension in the UN Development System

UN Development System reforms have called on the UN system to take advantage of the knowledge and resources of regional commissions such as UNECA. A series of transformative actions have taken place in order to enhance the contribution of regional commissions. In particular, the **regional collaborative platform** will allow the formation of **issue-based coalitions (IBCs)** to foster collaboration among UN entities on issues that transcend national borders, for example, trade, climate change, and illicit trafficking.

Cooperation between the African Union and the collaborative platform in Africa is planned, with a focus on IBCs in areas such as improving data and statistics for the SDGs, helping African governments take advantage of the demographic dividend and technological innovation, as well as resource governance and combating climate change.

Furthermore, UNECA works with Member States and other entities in the UN system. The Executive Secretary works to achieve common UN objectives, for instance through the strategic objectives of the annual Senior Managers Compacts with the UN Secretary General, and through membership of the UN Sustainable Development Group. UNECA also contributes to processes and fora, such as the UN High Level Political Forum on Sustainable Development (HLPF).

Regional Economic Communities

The Regional Economic Communities (RECs) are groupings of African states that serve to promote and facilitate African economic integration at the sub-regional level (e.g. in West Africa, Eastern Africa, etc.). The RECs work closely with the African Union and Member States on a wide variety of issues, with varying levels of integration across a broad range of sectors. Correspondingly, the extent of integration between countries and different RECs varies considerably, leaving significant scope for policymakers at national, sub-regional and continental levels to pursue integration as a means for achieving goals under the 2030 Agenda and Agenda 2063¹⁸⁶ UNECA is a long-standing partner of the RECs and provides a range of services to support them in fulfilling their mandates.

¹⁸⁶ United Nations, 'Best Practices in Regional Integration in Africa', 6 September 2012; African Union, '2019 African Regional Integration Report: Towards an Integrated and Prosperous and Peaceful Africa'.

Countries of focus

Effectively responding to the needs of Member States for coherent and integrated efforts in support of the 2030 Agenda and Agenda 2063 requires a prioritisation of UNECA's work in terms of both thematic and geographic focus. This prioritisation, through the Countries of Focus concept, brings both a substantive and a country emphasis to UNECA's initiatives. It is expected to achieve an integrated and coherent approach to programming and delivery, as well as improved delivery and capacity support to Member States.

In each Country of Focus, UNECA develops an *Integrated Country Support Plans* (ICSPs) to guide the interdivisional work of the organisation. The ICSPs contain a results framework for delivering a package of UNECA policy and capacity support and are anchored in the organisations other strategic planning instruments, such as annual planning documents and medium-term plans.

United Nations Sustainable Development Cooperation Framework

The Cooperation Frameworks outline the UN development system's contributions to reach national SDGs targets in an integrated manner, with a commitment to leave no one behind, human rights and other international standards and obligations. They involve a broad range of UN system partners, other stakeholders, and Member State actors. The Cooperation Frameworks provide guidance on reframing economic policies and practices around sustainability for inclusive and diversified economic transformation that leaves no one behind, protects the planet and strengthens the ecological foundations of economies.

UNECA contributes, within the scope of its mandate and limits of its resources, to the formulation of Common Country Analyses as part of the Cooperation Framework development and implementation. These are assessments and analyses of country situations as well as progress, gaps and opportunities with regard to a country achieving the SDGs. They are living documents, with UN entities such as UNECA, reviewing and updating them on a regular basis.

The MTPF identifies transformative areas and outcomes for Africa as a whole, within the sphere of UNECA's mandates and expertise. It highlights thematic areas to be examined in CCAs and Cooperation Frameworks, while also helping to bring transnational and transboundary issues in Africa into national policy and programming discussions. In this way, UNECA's MTPF can support Member States and the UN system in developing more comprehensive and robust Cooperation Frameworks. Moreover, the Cooperation Frameworks are aligned with national targets under the 2030 Agenda. This close identification of UN system cooperation with the SDGs is also a feature of the Outcomes of UNECA's MTPF. The common use of MTPF and Cooperation Frameworks to the 2030 Agenda and Agenda 2063 helps to ensure programmatic alignment, as well as facilitating data collection and monitoring.

Results-Based Management in UNECA

UNECA is committed to fostering a results-oriented culture and promoting the use of data and evidence in decision making, to ensure the achievement of sustainable results. One of the key tools in these efforts is Results-Based Management (RBM). RBM is an approach to project and programme design, implementation, monitoring and evaluation that places emphasis on the alignment of the actions of the various actors and stakeholders and a set of results. Through its emphasis on development results, rather than inputs, activities or delivery of products, RBM intends to promote more accountability in spending of public resources, as well as a greater focus on beneficiaries and long-term impact. For UNECA, the use of RBM tools and techniques helps demonstrate the organisation's commitment to making concrete and valuable contributions to the challenges facing the African continent, with a lasting impact for the most vulnerable. In UNECA, the key tools for implementation of RBM are the Programme Management Manual (PMM) and the annual reporting cycle.

Programme Management Manual

The Programme Management Manual (PMM) provides tools and guidance to UNECA's various divisions and offices on the complete range of topics associated with programme management. It provides guidance to staff on design, monitoring, implementation and evaluation of UNECA projects and programmes, in line with the principles of RBM. It covers various aspects of results-based approaches to UN programming, including development of logical frameworks, cooperation with partners, decision-making responsibilities, and resource allocation.

Annual reporting

The annual programme planning and reporting process, recently implemented across the Secretariat, is intended to help enhance the transparency and accountability of the organisation as well as the implementation of results-based management. The annual programme planning and budgeting process is expected to enable coordinated action to address challenges facing the region, while incorporating the results of monitoring, evaluations, and organisational learning into planning and implementation.

Enhancing Implementation of the MTPF

UNECA will build on existing platforms and processes to promote and enhance the implementation of the MTPF. UNECA will use a variety of regional and sub-regional fora to present challenges and achievements in each of the five transformations of the MTPF. UNECA will also provide Member States with platforms to present feedback on MTPF implementation, relevant follow-up actions, and recommendations for improving the effectiveness of UNECA's support. Such fora will include:

- Annual reporting on UNECA's achievements and contribution to African development in the context of the MTPF at the annual Conference of Ministers Finance, Planning and Economic Development
- Presentation of relevant highlights and achievements in the context of the MTPF at the African Regional Forum for Sustainable Development
- Using relevant sub-regional fora to highlight achievements under the five transformations, as well as UNECA's flagship initiatives and publications

Additionally, more regular consultations on programme implementation can take place at sub-regional level, and through coordination in thematic areas such as the COVID-19 response, financing the recovery of African economies, science and innovation for sustainable development, etc.

Risk management

External risks to MTPF

An understanding and assessment of risks and opportunities is essential for strategic decision making in UNECA. The continent as a whole faces a range of interrelated risks that threaten its successful social and economic development, and the achievement of the goals of the 2030 Agenda and Agenda 2063. A summary of the key external risk factors affecting sustainable development are listed below, as well as steps UNECA can take to monitor them and mitigate their effect on programming. These and other risks are integrated into programming and decision-making, as well as organizational learning.

Political and security risk

RECs, Member States, the UN system, and the pan-African organizations are all working together to help reduce insecurity and promote peace and prosperity across the continent, particularly in the post-COVID context. However, a number of challenges remain, including:

- Addressing violence and extremism, particularly in the Sahel region, in parts of North Africa, and the Congo basin
- Illicit trafficking of goods and people across the continent, and particularly from Africa to countries in Europe and the Middle East
- Post-conflict peacebuilding and reconciliation processes in a number of different countries
- Large numbers of refugees or internally displaced people, and related concerns about security and access to food and healthcare
- Transparency and accountability of political processes and decision-making in a number of different parts of the continent
- Resource-related tensions and potential conflict within and between African countries

The principle way UNECA contributes to efforts to pursue peace is through its efforts to promote sustainable social and economic development, which is key to the long-term security and prosperity of the continent as a whole. UNECA works together with other organizations in areas such as the combat against illicit financial flows, promoting greater transparency and reducing corruption in the public sector, and advising on policies to help rebuild economies following periods of conflict and instability.

Environmental risk

The IPCC has identified the particular vulnerabilities of the African continent to a changing climate, highlighting especially the risks to human security and from climate-induced migration. In the near term, an increase in extreme climate events is likely to have a significant effect on sustainable social and economic development across the continent. The incidence of droughts, floods, more intense storms, and more unpredictable rainfall are all likely to have already been increased by the changing climate. Given the poor state of infrastructure and the lack of resources in many parts of the continent, the capacity of societies and economies to remain resilient in the face of these threats remains quite low. African countries and economies will therefore need to take measures to both increase their capacities to deal with these issues, and prepare plans for responding to more extreme events within the limits of their own resources.

In delivering the MTPF, UNECA will work with RECs, IGOs and Member States to promote policies to support the green economy. It will work to both promote sustainable industries and sectors that reduce the continent's impact on the planet, while supporting economic development. UNECA will

also work to support policies and programmes that improve the continent's resilience, and in particular its ability to withstand the effects of extreme climactic events and adapt to the effects of climate change. UNECA will do so in a way that respects the particular social and economic circumstances of each country.

Human health risk

The COVID-19 pandemic has highlighted the potential of threats to human health to undermine sustainable social and economic development, even in countries with the most resources and most well developed infrastructure. As the effects of COVID-19 become clearer, UNECA is committed to assisting stakeholders in better understanding the impact and long-term social and economic implications of the pandemic, building upon previous work including that done on the effects of EVD.

In addition to helping to address the immediate and long term effects of COVID-19 on the social and economic development of the continent, UNECA can help Member States to develop capacities to invest and develop health and social sectors. This includes supporting Member States in ensuring fiscal space and resources in order to sufficiently invest in the health and social development of their populations.

Economic risk

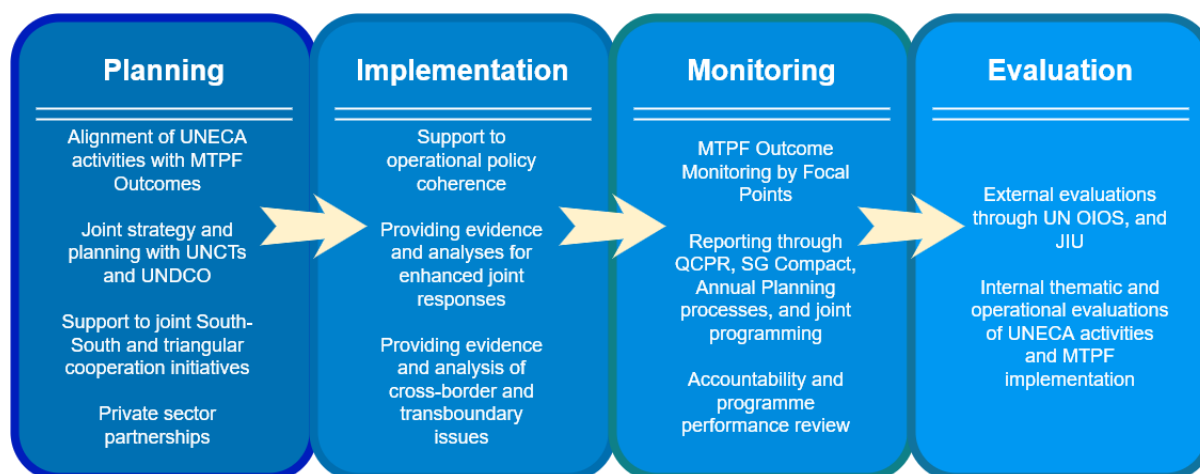
As noted within the MTPF, the COVID-19 pandemic has highlighted and exacerbated existing economic and fiscal trends across the continent. In particular, the immediate economic effect of the pandemic has been sharp reductions in economic growth, national income, trade, and therefore government revenues. Increasing the capacities of states to effectively generate tax revenue in order to invest in their social and economic development will be key to both recover and to achieving development objectives. Social investment will need to be maintained over the medium to long-term, irrespective of short term changes to economic growth and tax revenue generation. The pre-pandemic increase in public debt levels, and the negative fiscal situations of many African governments during and post-pandemic are therefore of significant concern. UNECA will therefore work with RECs, Member States and international institutions to help address the causes and effects of increasing debt levels, helping to reduce their impact on the sustainable social and economic development of the continent.

In its work supporting the MTPF, UNECA is supporting the increase of trade and the diversification of industries and sectors in countries across the continent. The Commission is further supporting Member States in increasing fiscal space and increasing long-term social investment to improve conditions in health, education, support to small business as well as new and emerging industries, as well as the transition towards sustainable economies and industries. Such investments will make African economies and societies more productive and resilient, while contributing to the goals of the 2030 Agenda and Agenda 2063.

Operational tools of the MTPF

Figure 9

MTPF Programming Cycle showing the different operation tools and activities



UNECA will work with a range of RECs, Member States, UN system entities, and other partners to implement this Medium-Term Programme Framework and support the African continent in achieving the aims of the 2030 Agenda and Agenda 2063. In particular, UNECA will work closely with members of the UN development system in the context of the outcomes of quadrennial comprehensive policy review of operational activities of the United Nations system, the call for a Decade of Action to achieve the 2030 Agenda.

In its role as a regional economic commission, UNECA will facilitate multilateral dialogue, knowledge sharing and networking at the regional level, provide capacity building support at national level in line with the UN Cooperation Frameworks, and work together and with the Regional offices of the UN entities to promote intra-regional and inter-regional cooperation, both among themselves and through collaboration with other regional organisations. The principle modalities for delivering UNECA support are its convening, think-tank, and operational support functions. These cover a range of bilateral, multilateral, and pan-African initiatives, but also include a range of coordination and support functions outlined below.

Alignment of UNECA activities with outcomes in the MTPF

The MTPF provides a framework for orienting UNECA's products and services with transformational change for the continent. The implementation of UNECA programmes and activities will contribute to specific outcomes of the MTPF. Each outcome will therefore have sets of related policy advisory, capacity building, and knowledge production activities that can be planned and implemented in a strategic way allowing for identification of relevant complementarities.

Monitoring of the MTPF on the basis of its results framework will provide evidence of contribution of UNECA's various initiatives to higher-level outcomes at country, sub-regional, and continental levels. Use of SDG-related indicators helps to support standardised data collection and the use of national statistical information – where this is SDG-aligned – and integration of data from UN Cooperation Frameworks.

Cooperation with UN Country Teams and UNDCO

UNECA will provide support to UN Country Teams and especially Resident Coordinators in their role as highest-ranking development representatives of the UN system. Given UNECA's mandates, expertise, and long experience of working both in individual countries and with the pan-African institutions, this support will help to incorporate regional and transboundary issues, as well as continental perspectives into the work of the UN development system at the country level. This work will help Member States and the UN system develop Sustainable Development Cooperation Frameworks, as well as other strategies and plans, that promote balanced economic development and policy coherence, as well as trade and regional integration.

UNECA's sub-regional offices will bring particular knowledge and expertise on common issues affecting countries in each subregion, as well as support in specific areas such as macroeconomic modelling and analysis, fiscal and economic policy, and structural transformation. As African countries implement the AfCFTA, UNECA will support RECs, Member States and the UN development system in formulating strategies that help to reap the full benefits of regional integration and increasing trade, especially so that trade and industrial development, and structural transformation, lead to improved socio-economic development and local resilience.

Support to South-South and Triangular Cooperation

South-South cooperation refers to the technical cooperation among developing countries in the Global South. Triangular cooperation involves three actors, two from the South and one from the North. The latter, which can also be an international organization like the UN, provides the financial resources so that the countries of the South can exchange technical assistance. The proximity of experience between actors in the Global South can promote the sharing of experience and learning between countries.

Regional commissions such as UNECA can serve as a knowledge platform, convenor, and analytical support to these types of technical cooperation. UNECA's significant experience in human resource and capacity development can help stakeholders to plan and implement strategies for South-South and triangular cooperation. Through the research and analytical support, UNECA is able to both provide expertise to identify areas of learning and knowledge exchange, as well as monitor the success of joint initiatives. Finally, UNECA's support to planning and monitoring for UNCTs, can help other entities in the UN system collaborate and cooperate with RECS and Member States in promoting mutual learning and sustainable development.

Partnerships and engagement with the private sector

UNECA actively engages with private sector bodies and associations, as a source of ideas, innovation, and financing for initiatives to further Africa's sustainable social and economic development. This cooperation will, inter alia, support the inclusion of private sector organisations in developing policies for strong systems of governance, in line with Member State demands.

Achieving coherent operational responses

With the reforms to the UNDS, UN entities are expected to make efforts to increase cooperation and collaboration, transforming the operational culture of the organization¹⁸⁷. For UNECA, this has both internal and external aspects:

¹⁸⁷ United Nations, 'Report of the Chair of the United Nations Sustainable Development Group' (United Nations, 27 March 2020).

- Enhancing cooperation between sub-programmes, SROs and IDEP
- Promoting policy coherence in activities within each of UNECA's convening, think tank and operational functions, in recognition of the interconnected and interdependent nature of challenges within the MTPF
- Bringing the attention of policy-makers, institutions, the public and other actors, to key cross-border and transboundary challenges, and supporting collaborative responses to these

Timely, coherent, and policy-relevant services bring value to UN system actors, RECs and Member States, as does a vision that can place national programme and policy challenges in the context of appropriate regional or sub-regional cooperation. Together, the products and services that UNECA provides should respond to development needs, and be developed in the context of an organization that can adapt and learn to better serve its stakeholders. On this basis, there are several key enabling factors for facilitating the achievement of the goals of the MTPF.

Coherent, integrated policy support

Each of UNECA's nine subprogrammes has a strategic objective, implementation strategy, and annual planned results (which form the basis for reporting on overall programme performance)¹⁸⁸. These subprogrammes guide the development of annual implementation plans as well as programmatic budgets. However, successful implementation of the MTPF, and delivery on the promise of the 2030 Agenda and Agenda 2063, will require that these subprogrammes structure and plan their annual activities in a coherent and complementary fashion. As such it is important that UNECA works across thematic and organisational boundaries to:

- Identify, using the MTPF, the key outcome that is most relevant for each product and service in the subprogramme. Noting that the product or service may contribute to this outcome through one of the intermediate outcomes of the theory of change (see Figure 1)
- Highlight interdependencies between products and services contributing towards the same outcome, across both the thematic subprogrammes and UNECA's three core functions
- Agree between subprogrammes areas of integrated efforts within each outcome
- Include in each subprogramme's annual programme plan a section of integrated efforts which describes interdependencies and strategies to address them

Collaborative programming

Coherence and integration goes beyond simply within and across UNECA's different mandates and areas of expertise. Working with RECs, Member States, UN system organisations, and a range of other partners will be important for effective support to achieving the goals of the MTPF and the 2030 Agenda and Agenda 2063. The essential nature of UN support at the regional level has been recognised on numerous occasions by Member States, including in the context of recent UNDS reforms¹⁸⁹. Enhanced coordination with UNCTs and Resident Coordinators is a key aspect of this, as are other key elements of the reforms notably the creation of the Regional Collaborative Platforms (RCPs) and the development of enhanced regional knowledge management hubs¹⁹⁰. UNECA will also seek to enhance programmatic collaboration through its contribution to UN system planning instruments, most notably

¹⁸⁸ United Nations, 'Proposed Programme Budget for 2021', 27 April 2020.

¹⁸⁹ United Nations, Repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

¹⁹⁰ United Nations, 'Implementation of General Assembly Resolution 71/243 on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System', 30 April 2020.

the UN Sustainable Development Cooperation Frameworks (and associated Common Country Analyses), as well as joint programming with other agencies.

Beyond the UN system, UNECA can use its convening power and its position as both a UN and a pan-African actor to build and enhance cooperation with networks of relevant academic and research institutions, as well as private sector entities and associations.

Responses to cross-border and sub-regional challenges

A significant advantage of UNECA over other actors in the international system is its position as a pan-African actor with both a regional and sub-regional presence on the continent. Within the strengthened UNDS system, UNECA has a unique role to bring regional and sub-regional perspectives into efforts at addressing the continent's development challenges, helping RECs, Member States, UN entities, and other actors to better understand the cross-border and transboundary nature of many policy and programme issues. In particular, UNECA can help: develop knowledge products on cross-border and transboundary issues; promote cooperation among UN system entities in these issues (including through the Cooperation Frameworks); provide the DCO with valuable insight and analysis; and support pan-African and regional organisations in development knowledge, analysis and policy.

Accountability and transparency

Efforts to improve accountability and transparency are key to reforms of the UNDS¹⁹¹. UNECA is committed to ensuring the accountability of its own operations, as well as to helping to promote transparency and accountability in efforts to achieve the 2030 Agenda and Agenda 2063. Efforts to improve accountability within the UN system and in efforts to promote development progress in general include: reporting on UNECA activities in the annual programme planning process; contributing to country-level outcomes through the Cooperation Frameworks; supporting learning from evaluations; providing knowledge and analysis to UN and regional actors.

The efforts at accountability and transparency will help promote development outcomes, as well as effective institutions. In addition, these efforts will support organizational learning within UNECA, as well as developing understanding of effective responses to development challenges in general.

Monitoring

Monitoring of operational progress and success will involve several different frameworks. Firstly, the annual budget planning process. This provides the main framework for monitoring organisational performance for both regular budget and extra-budgetary funds, with respect to UNECA's mandates and the results defined in its nine subprogrammes. Moreover, the compact of the Executive Secretary with the United Nations Secretary General provides an overall corporate monitoring and accountability function that helps to guide the Commission as a whole. Additionally, the quarterly Accountability and Programme Performance reviews help UNECA to take regular stock of achievements and challenges. Finally, other processes such as the Quadrennial Comprehensive Policy Review of UN system operational activities (QCPR) help provide additional frameworks with which to track development.

Reporting

The aforementioned planning and monitoring processes have associated reporting components. The UN Secretariat's annual programme planning process also doubles as a report on UNECA's progress in its various subprogrammes, providing accountability to UN Member States in the General Assembly. Similarly, the QCPR process provides an opportunity to report on progress through annual reporting, including in the Secretary General's report on QCPR implementation.

¹⁹¹ United Nations.

Evaluation

Evaluation in UNECA seeks to promote and strengthen organizational learning, improve decision-making for better programming, and demonstrate accountability to Member States and other stakeholders, as per the UNECA Evaluation Policy¹⁹² and the Senior Manager's Compact. A range of different types of evaluation activities will be undertaken during the implementation of the MTPF. These will include:

- External evaluations and reviews, such as those conducted through the [UN Office on Internal Oversight Services](#) (OIOS) and the [Joint Inspection Unit of the United Nations System](#) (JIU). These evaluations often consider larger strategic, and system-wide issues facing UNECA and the UN system as a whole
- Internal evaluations conducted at the behest of UNECA and its individual divisions and offices, often with the support of external evaluators. These typically examine particular themes or areas relevant to delivery of UNECA's mandates

During the implementation of the MTPF, UNECA divisions, SROs, and the IDEP will support evaluations and incorporate relevant evaluation recommendations and findings into their work.

Knowledge management

UNECA is a knowledge organization. In order for UNECA's vast knowledge assets to best support efforts to promote sustainable social and economic development, it will seek to ensure that the knowledge supplied is reliable, relevant, up-to-date, and brings in the full spectrum of perspectives and issues.

Knowledge assets include both the familiar materials contained in UNECA's collections, as well as the experiential knowledge that is shared, for instance, through providing opportunities for experts and professionals to connect and develop communities of practice. UNECA therefore promotes increasing use of knowledge for sustainable development, through supporting the production of new knowledge products as well as providing fora and platforms for sharing of experience and expertise.

The strategy for knowledge management focuses on the provision of comprehensive knowledge products and services on demand, in a user-friendly manner, helping to serve officials, policy and development professionals, and other stakeholders. The strategy should ensure UNECA incorporates data, knowledge and evidence into its processes and services, and that experience and expertise is shared among UNECA staff internally as well as with external partners.¹⁹³

Knowledge management services in UNECA include, inter alia¹⁹⁴:

- Provision of effective management of and access to knowledge and learning, for IGOs, RECs, Member States, UNECA staff, development partners, and other stakeholders (including through the [ECA Knowledge Hub](#) and [Knowledge Repository](#))
- Promotion of networking and information-sharing with development partners, other UN agencies, and other relevant actors
- Operation and maintenance of communications and information systems, conference facilities, and logistical and support services

¹⁹² United Nations Economic Commission for Africa, 'UNECA Evaluation Policy' (Addis Ababa, December 2014).

¹⁹³ United Nations Economic Commission for Africa, 'The ECA Knowledge Management Strategy', March 2014.

¹⁹⁴ United Nations, 'Proposed Programme Budget for 2021'.

Communications

Media and communications allow UNECA to connect with and engage audiences on topics at the heart of Africa's sustainable social and economic development. UNECA communications work to provide compelling and focused messages tailored to specific audiences, in multiple languages¹⁹⁵, and using up-to-date communications tools¹⁹⁶. The communications strategy aims to use key events and UNECA product launches to promote positive change in support of African development, highlighting opportunities for shaping Africa's future and its overall transformation.

UNECA communication and advocacy materials help to disseminate and promote the use of credible data and evidence for evidence-based policy and decision-making. Media relations and social media platforms are used to help highlight the release of key publications and important events on a diverse range of topics, such as technology, climate change, equality and social inclusion, responses to COVID-19, etc. These efforts both inform and promote on topical issues, while also improving the visibility of UNECA and its products and services at global, regional, and local levels¹⁹⁷.

Communication services in UNECA may include: issuing of press releases and other media; promoting UNECA as a source of evidence and expertise; engaging with media professionals; diversifying media platforms; and monitoring the effectiveness of media and outreach activities.

Section Four: Financial framework

Purpose

The financial framework provides an overview of how resources can be mobilized in order to help Member States achieve the outcomes of the medium term programme. The framework helps to identify the key challenges and underlying principles behind seeking partners and mobilising resources to support the strategic and operational priorities of UNECA.

UNECA's budget structure and funding model emanate from key aspects of the operating model of the Commission. Namely, its position as an organization of the UN Secretariat with normative and convening functions, as well as position as a provider of technical services – research and analysis, policy advisory, and capacity building.

In order to meet Member States' expectations, UNECA will need to ensure the effective utilization of resources for supporting them in achieving Agenda 2063 and the 2030 Agenda. Effective and efficient project implementation and fund utilization will help enhance UNECA's reputation as a key interlocutor and supporter of Africa's transformations.

There is likely to be additional demands for UNECA products and services in the next few years as countries seek support for their social and economic development in the COVID era, and while the UNDS puts additional demands of the UN's regional economic commissions. This may especially be true when it comes to regional and transboundary issues, where the Commission may be expected to play a bigger role.

¹⁹⁵ United Nations, 'General Assembly Resolution on Multilingualism', A/RES/73/346 § (2019).

¹⁹⁶ United Nations Economic Commission for Africa, 'The ECA Communications Strategy', March 2014.

¹⁹⁷ United Nations, 'Proposed Programme Budget for 2021'.

Financing in UNECA

Within the UNECA funding model, regular budget contributions are used to support the work on core mandate areas, as well as for the key corporate functions of the Commission. These include a range of activities in each of UNECA's three functions – convening, knowledge production, and operational support to RECs, IGOs and Member States – as well as to ensuring the proper functioning of the Commission and its various sub-offices. Historically, regular budget contributions have made up the majority of UNECA's resources.

Meeting the needs highlighted in this Medium Term Programme Framework and serving the demands of Member States will require more effective deployment of resources. While UNECA should ensure that core functions continue to be supported by adequate regular budget funding, the Commission will continue to require extra-budgetary contributions to help deliver its services. A functional perspective, that sees UNECA's role as facilitating the achievement of the 2030 Agenda and Agenda 2063, may offer a pragmatic way to approach funding and implementation of the three core functions of UNECA across the range of thematic areas.

Resources, effectively deployed, could provide much needed support to initiatives where UNECA has a clear strategic and institutional advantage. Resources could be used to ensure UNECA's on-going support to multilateral and UN-system wide initiatives, especially those that support SDG-aligned outcomes within clear programmatic frameworks, most especially the UN Sustainable Development Cooperation Frameworks.

Meeting challenges in these areas requires that UNECA fulfil its role as a key regional player in line with the demands of Member States, and particularly in the context of the reforms of the UN Development System. This will involve supporting Resident Coordinators and UN Country Teams as well as the regional director of the UN Development Coordination Office (DCO).

Key factors influencing the UNECA financial framework

The more central role played by regional commissions such as UNECA requires that both existing and additional resources are effectively deployed in innovative ways. The strategy for deploying these resources should take into account three interrelated factors:

- The current model of majority regular budget funding will continue to be inadequate with respect to the demands on UNECA
- There will be considerable competition for Official Development Assistance (ODA)
- There is a need for UNECA to ensure that internal policies and systems are adequate to ensure effective and timely delivery, as well as accountability to donors. These include sufficient emphasis on meeting donor requirements in monitoring and reporting.

As part of the core strategy for ensuring sufficient resources are effectively utilized to meet Member State expectations, several key building blocks are to be taken into consideration, helping to link regular budget resources, extra-budgetary resources, and productive external partnerships:

- Continued policy-based discussions with Member States and the UN Secretary General, the African Union, and others on both increasing and making more effective use of RB resources over the medium to long-term, including for use in mandated assistance functions within the reformed UNDS
- Internal consultations to identify core priority areas of work within the context of the MTPF and especially UNECA's support to RECS and Member States in recovering and thriving in the post-COVID-19 environment

- Identification of strategic entry points, where UNECA and SROs are positioned to contribute to UN joint programming, and to benefit from joint resource mobilisation activities

Some significant challenges remain in building partnerships and mobilizing as well as successfully deploying the necessary financial resources to achieve the goals of the MTPF, in an effective and timely way. These include internal policy issues, such as the need to incorporate project support and UNDS costs into proposals for extra-budgetary funding, and the need for consistent strategic communication around core UNECA functions and objectives, as well as external challenges, most particularly the economic and political environment post-COVID-19.

Key principles going forward

In working towards the achievement of the outcomes of the MTPF, and in line with the key building blocks listed above, the financial framework will seek to:

- Deepen and diversify the range of UNECA's Member State partnerships. This includes traditional Member State partners and emerging donors globally that seek to contribute to the continent's sustainable development, while working to improve effectiveness and timeliness of delivery
- Diversify the range of extra-budgetary funding sources, including through close partnerships with continent and sub-regional organisations, financial institutions and multilateral funds, as well multi-agency or joint funding sources
- Engage and develop strategic partnerships with non-traditional actors, including academic institutions, non-governmental organisations, and the private sector, helping to promote more effective and efficient service delivery

Annex

Results framework

The results framework outlines the outcomes in each of the five African transformations. These outcomes represent the intersection of key areas of each transformation, and the competencies of UNECA. Each outcome focuses on the results of implementation of policies or strategies developed with UNECA support, as well as the use of new knowledge and technical capacities. The outcomes are therefore the result of complementary work in UNECA's three core functions: developing knowledge and understanding ('Think tank'); bringing together stakeholders to promote common understanding and agreeing common rules and frameworks ('Convening'); and advising on the development of policies and strategies, as well as training and capacity building ('Operational').

These outcomes each have a set of indicators that allow measurement of progress at the level of individual countries, sub-regions, or across the continent as a whole. The majority of the indicators can be linked to the global indicator framework for the SDGs¹⁹⁸, along with the subsequent refinements made by the United Nations Statistical Commission¹⁹⁹, while seeking to show the entry points for support from UNECA. This follows recent UN guidance on the preparation of UN Cooperation Frameworks, particularly calling on UN Country Teams to ensure that Cooperation Framework indicators align with, or are subsets of, the relevant SDG indicators.

In a small number of cases where a suitable SDG-derived indicator was not available, substitute indicators have been found and these are marked as 'new'. These are typically in areas that are more indirectly covered in the SDGs, such as expanding trade in the context of the AfCFTA, increasing fiscal space, or harmonizing legislative frameworks. The key assumptions for each transformation reflect the 'key underlying conditions' in Part Two of this document

¹⁹⁸ United Nations, 'Work of the Statistical Commission Pertaining to the 2030 Agenda for Sustainable Development', A/RES/71/313 § (2017).

¹⁹⁹ United Nations, 'Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators: Report of the Secretary General' (United Nations, 12 February 2020).

1. An Africa that invests in human potential for sustainable development

Outcome	Suggested MTPF indicators	Related indicators (for reference)
1.1 Reduction in poverty and inequality, including inequality of access to social and other services	Number of countries that formulate and implement policies and strategies to: <ul style="list-style-type: none"> - increase the proportion of the population covered by social protection systems, by population group - increase resources available for essential services (health, education, social protection) 	Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable (SDG 1.3.1) Proportion of population living in households with access to basic services (SDG 1.4.1) Proportion of total government spending on essential services, by service (health, education, social protection) (SDG 1.a.2)
	Number of countries that formulate and implement policies and strategies to mainstream gender and reduce gender inequalities (by sector)	Cumulative number of countries adopting sector-specific policies that mainstream gender in their sectoral policies (SP6/PPB 2021)
	Number of countries that formulate and implement poverty and inequality reduction programmes and strategies, by target population	Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural) (SDG 1.1.1) Number of member States, regional economic communities and intergovernmental organizations that have initiated policies, strategies, programmes and reforms on inclusive industrialization and reducing poverty and inequality in the Southern Africa subregion (SP7.5/PPB 2021)
1.2 Member State policies take advantage of Africa's demographics, providing improved access to employment opportunities, especially among women and young people, and in urban areas	Number of countries adopting policies to improve access to skills training and employment opportunities, especially for: <ul style="list-style-type: none"> - women - young people - urban populations 	Average hourly earnings of female and male employees, by occupation, age and persons with disabilities (SDG 8.5.1) Unemployment rate, by sex, age and persons with disabilities (SDG 8.5.2) Proportion of youth (aged 15-24 years) not in education, employment or training (SDG 8.6.1)

		Cumulative number of countries adopting sector-specific policies that mainstream gender in their sectoral policies (SP6/PPB 2021)
1.3 Safe and orderly mobility and migration, within and between countries	<p>Number of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people (SDG 10.7.2)</p> <p>Number of countries that accede to the protocol relating to the free movement of persons²⁰⁰</p>	Number of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people (SDG 10.7.2)

2. An integrated Africa

Outcome	Suggested MTPF indicators	Related indicators (for reference)
2.1 Increased trade within and outside the African continent	<p>Number of countries and sub-regions that adopt policies and strategies to:</p> <ul style="list-style-type: none"> - implement the AfCFTA (by country / sub-region) - increase and diversify exports <p>Share of intra-African trade in the total trade of Africa (SP2 / PPB 2021)</p> <p><i>Volume of total African exports and imports by destination (new)</i>²⁰¹</p>	<p>Africa's share of global exports (SDG 17.11.1)</p> <p>Share of intra-African trade in the total trade of Africa (SP2/PPB 2021)</p>
2.2 Improved access to modern infrastructure connecting communities across Africa	<p>Number of countries that develop strategies or relevant government structures for:</p> <ul style="list-style-type: none"> - financing infrastructure development - developing energy infrastructure <p>Total financial support to infrastructure by country, sub-region and source of support</p>	<p>Passenger and freight volumes, by mode of transport (SDG 9.1.2)</p> <p>Total financial support to infrastructure by source of support (SDG 9.a.1)</p> <p>Proportion of population with access to electricity (SDG 7.1.1)</p>

²⁰⁰ <https://au.int/en/treaties/protocol-treaty-establishing-african-economic-community-relating-free-movement-persons>

²⁰¹ United Nations Conference on Trade and Development, *Trade and Development Report 2019: Financing a Global Green New Deal*, 2019.

		<p>Installed per-capita renewable energy-generating capacity in African countries (SDG 7.b.1)</p> <p>Cumulative number of member States that institute energy planning units in the respective line ministries/government agencies (SP3 /PPB 2021)</p>
2.3 Harmonization of policies and strategies for increased market integration	<i>Number and percentage of countries adopting common or harmonized strategies or legal instruments, by instrument (new)</i>	

3. An innovative, connected Africa

Outcome	Suggested MTPF indicators	Related indicators (for reference)
3.1 Expanded access to and use of digital technologies	Number of countries that develop policies and strategies to improve digital skills and literacy, particularly among women and youth	Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill (SDG 4.4.1)
	Number of countries that take measures to expand access to internet services and digital technologies, including among women	Fixed Internet broadband subscriptions per 100 inhabitants, by speed (SDG 17.6.1)
3.2 Increased levels of entrepreneurship, especially among women	<p>Number of countries that have developed strategies and policies to:</p> <ul style="list-style-type: none"> - increase the proportion of formal employment, including among women - support entrepreneurship, especially among women and youth - promote women's leadership in business 	<p>Proportion of informal employment in total employment, by sector and sex (SDG 8.3.1)</p> <p><i>New firm entry density (by country) (new)</i>²⁰²</p> <p>Proportion of women in managerial positions (SDG 5.5.2)</p>
3.3 Increased access to science, technology and innovation	Number of countries that develop strategies and policies to expand medium and high-tech industry	Proportion of medium and high-tech industry value added in total value added (SDG 9.b.1)
	<p>Number of countries that develop strategies and policies to:</p> <ul style="list-style-type: none"> - increase capacities in research, science and technology 	Total amount of funding in African countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies, by funding source (SDG 17.7.1)

²⁰² African Development Bank, 'African Development Report 2011: Private Sector Development as an Engine of Africa's Economic Development' (Tunis, 2011).

	<ul style="list-style-type: none"> - support innovation and the commercialisation of science and technology - support the inclusion of women and girls in science, technology, and innovation 	
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4. An Africa of sustainable, productive industries and economies

Outcome	Suggested MTPF indicators	Related indicators (for reference)
4.1 Increased productivity, diversity and competition in value chains and production patterns	Number of countries that design and implement strategies for: <ul style="list-style-type: none"> - economic diversification (including increasing value addition) - increased productivity - formalization of industry 	Annual growth rate of real GDP per employed person (SDG 8.2.1) Proportion of informal employment in total employment, by sector and sex (SDG 8.3.1)
4.2 Environmentally and socially conscious exploitation of natural resources and development of green economies	Number of countries that apply policies and strategies that recognize, support and protect small-scale and sustainable: <ul style="list-style-type: none"> - fishing and aquaculture - agriculture - forestry 	Proportion of agricultural area under productive and sustainable agriculture (SDG 2.4.1) The agriculture orientation index for government expenditures (SDG 2.A.1) Progress by countries in the degree of application of a legal/regulatory/policy/institutional framework which recognizes and protects access rights for small-scale fisheries (SDG 14.b.1) Sustainable fisheries as a percentage of GDP in small island developing States, least developed countries and all countries (SDG 14.7.1)
	Number of countries that adopt policies and strategies for responsible resource extraction and use, and protection of the natural environments	Integration of biodiversity into national accounting and reporting systems, defined as implementation of the System of Environmental-Economic Accounting (SDG 15.9.1.b) Material footprint, material footprint per capita, and material footprint per GDP (SDG 12.2.1)

		Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP (SDG 12.2.2)
	Number of countries that formulate and implement measures to: <ul style="list-style-type: none"> - integrate climate resilience into national development planning - increase investment into climate action 	Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other) (SDG 13.2.1) Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions (SDG 13.3.2)
4.3 Increased sustainable industrialisation and small-scale industrialisation	Number of countries that have formulated and implemented policies, strategies, programmes and reforms on manufacturing and inclusive industrialization	Manufacturing value added as a proportion of GDP and per capita (SDG 9.2.1) Manufacturing employment as a proportion of total employment (SDG 9.2.2)
	Number of countries that have formulated and implemented policies and strategies to reduce the environmental impact of industry (by sector)	CO2 emission per unit of value added (SDG 9.4.1)
4.4 Coherent and inclusive urbanisation	Number of countries that include, in their national development plans and strategies, initiatives for: <ul style="list-style-type: none"> - sustainable urban development - urban business creation - reducing urban unemployment - disadvantaged populations, including people with disabilities 	Number of countries that have national urban policies or regional development plans that (a) respond to population dynamics; (b) ensure balanced territorial development; and (c) increase local fiscal space (SDG 11.a.1) Annual growth rate of real GDP per employed person (SDG 8.2.1) – <i>For urban areas</i>

5. An Africa of stable and effective institutions

Outcome	Suggested MTPF indicators	Related indicators (for reference)
5.1 Member State development plans and policies integrated measures to promote macroeconomic stability, inclusive growth, and SDG alignment	Number of countries with development plans and strategies with measures that aim to promote: <ul style="list-style-type: none"> - macroeconomic stability and inclusive growth - SDG alignment 	Annual growth rate of real GDP per employed person (SDG 8.2.1) Annual growth rate of real GDP per capita (SDG 8.1.1) Cumulative number of member States leveraging the macroeconomic model for policy analysis and advice (SP1/PPB 2021)
5.2 Increased fiscal space and resource mobilisation towards priorities in sustainable development	Number of countries that take measures to: <ul style="list-style-type: none"> - increase domestic resource mobilization - increase foreign direct investment (by area) 	<i>Percentage of debt as compared to relevant debt threshold (new)</i> <i>Tax revenue as a percentage of GDP (new)</i> <i>Volume of foreign direct investment into SDG-related areas (new)</i>
	Number of countries developing or implementing strategies to address illicit financial flows	Total value of inward and outward illicit financial flows (in current United States dollars) (SDG 16.4.1) Number of countries that establish methodologies to measure magnitude of illicit financial flows (SP1/PPB 2021)
5.3 Member States and other entities respond effectively to emergency situations, and promote peace and human security through economic development	Number of vulnerable and post-conflict areas implementing sustainable economic development strategies and plans	Direct disaster economic loss in relation to gross domestic product, including disaster damage to critical infrastructure and disruption of basic services (Sendai Framework) – <i>including health-related crises</i>
5.4 Increased use of data, statistical, and other evidence for policy and decision-making	Number of countries that have formulated and implemented measures to: <ul style="list-style-type: none"> - increase capacities for generation and analysis of data for decision-making - employ new technologies and techniques in evidence generation and analysis - increase the sensitivity of data and evidence systems to the needs of youth, women, and disadvantaged populations 	Statistical capacity indicator for Sustainable Development Goal monitoring (SDG 17.18.1) Number of countries that have national statistical legislation that complies with the Fundamental Principles of Official Statistics (SDG 17.18.2) Number of countries with a national statistical plan that is fully funded and under implementation, by source of funding (SDG 17.18.3)

		<p>Cumulative number of member States that have reduced data gaps for the monitoring and reporting of indicators on the Sustainable Development Goals and Agenda 2063 to meet data requirements (SP4/PPB 2021)</p> <p>Number of countries that register at least 50 per cent of births within 24 months (SP4/PPB 2021)</p>
	<p>Number of countries that formulated and implemented measures for improved development planning and public sector management</p>	<p>Number of trainees acquiring knowledge and skills through IDEP training for public policy formulation (SP8/PPB 2021)</p>