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Item 6 (c) of the provisional agenda*
Plenary round-table panels and parallel meetings on in-depth review, peer learning and dialogue on the sub-themes of the Regional Forum: parallel meeting on the sub-theme of prosperity

Background paper on prosperity (in reference to Sustainable Development Goals 7, 8, 9, 10 and 11)

I. Introduction

1. The pursuit of prosperity is a central priority in the 2030 Agenda for Sustainable Development, which seeks to ensure that wealth is shared, and income inequality is tackled through economic growth that is sustainable and inclusive, generating decent work for all. This chapter reviews progress in the implementation of those Sustainable Development Goals within the 2030 Agenda that are of particular significance for advancing prosperity, namely Goals 7 (Affordable and clean energy), 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure), 10 (Reduced inequalities) and 11 (Sustainable cities and communities).

2. Key to advancing prosperity in Africa is the structural transformation that generates sufficient decent work for the region, with its ever-growing youthful population (Goal 8) and adequately reduced inequalities (Goal 10). The economic diversification of African economies, including through industrialization, whereby industry share of employment and gross domestic product (GDP) rises (Goal 9), is a foundation for structural transformation. This calls for significant improvements in infrastructure as well as innovation and technology development (Goal 9). Also fundamental is the availability of affordable, reliable and modern energy for industrialization, and improved productive capacities (Goal 7). The strengthening of productive capacities and structural transformation in Africa are also dependent on the extent to which its cities are well planned and managed (Goal 11), given the advantages cities offer for productive capacities.

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II. Sustainable Development Goal 7 (Affordable and clean energy)

A. Key trends and progress towards achievement of targets

3. The region's performance in increasing energy access is heterogeneous across countries. North African countries have attained nearly universal access to electricity and clean cooking. The electrification rate across the continent has increased by 12.9 percentage points (to 43 per cent) in the 20 years from 1990 to 2010. While only 186 million Africans had access to electricity in 1990, in 2010 this number increased to 444 million. The rate of electricity has surpassed the rate of population growth in Africa: the number of people lacking access to electricity decreased from 640 million in 2013 to 590 million in 2016, with average urban and rural electrification rates of 77 per cent and 32 per cent, respectively.[1]

4. Africa is also diversifying its power supply with more exploitation of renewables, such as hydro, wind and solar. In 2016, the total installed renewable energy capacity exceeded 38 GW (about 23 per cent of total electricity capacity), driven mainly by developments in wind, solar photovoltaic (PV), geothermal and large hydropower in South Africa, Morocco, Ethiopia and Kenya, among others. A number of Africa-wide initiatives aim to increase the share of renewables, including the Africa Renewable Energy Initiative launched at the 2015 United Nations Climate Change Conference (COP 21), and the Programme for Infrastructure in Africa has regional power projects.

B. Gaps, constraints and emerging issues

5. Africa's power generation capacity has not increased enough to meet growing demand. It is projected that in a business-as-usual scenario, roughly 600 million people in Africa will not have access to electricity by 2030. The lack of access to electricity costs the African economy about 2.1 per cent of GDP on average. The average electricity consumption in Africa per capita is equivalent to one third of the world's average. On average, African countries consume as little as 200 kWh per year, compared with 1,442 kWh in North Africa and 4,148 kWh in South Africa. There is an even a bigger difference in per capita consumption between Africa's urban and rural areas, where the latter consume as little as 50 kWh per year, sufficient only to charge mobile phones and minimal lighting.[2]

6. The World Bank estimates that 40 per cent of African firms consider power outages a serious threat to their business.[3] The issue is exacerbated in sub-Saharan Africa where outages average 200 to 700 hours per year, costing firms up to a quarter of their annual potential revenue and up to 2 per cent of the countries' annual GDP (Africa Energy Outlook, 2019). Generous investments in power grids are therefore needed in order to decrease losses

[1] Various sources, but most data are from: United Nations (2018). Accelerating SDG7 achievement: Policy briefs in support of the first SDG7 review at the UN High-Level Political Forum 2018, Chapter 18 "Achieving SDG7 in Africa".

[2] Hafner M., S. Tagliapietra, and L. de Strasser (2018). The Challenge of Energy Access in Africa. In *Energy in Africa: Challenges and Opportunities*. Springer Briefs in Energy. Springer, Cham. Available at https://link.springer.com/chapter/10.1007/978-3-319-92219-5_1. Accessed on 14 January 2020.

[3] World Bank 2019, World Enterprise Surveys. Available at https://www.enterprisesurveys.org/.

from 16 per cent today to a level approaching advanced economies at less than 10 per cent.[4]

7. The power sector requires $40.8 billion per year, which is $26.72 billion for capital expenditure and $14.08 billion in operations and maintenance.[5] Also, the geographical landscape and topography of many rural settlements render the extension of national grid technically and economically unviable. Therefore, there is a need for a different approach, such as mini-grids and other distributed electricity supplies, to connect these households.

C. Stepping up the pace and scale of implementation

8. Decarbonization, decentralization and digitalization present opportunities for transforming the energy sector in Africa.[6] Digitization has the potential to transform the energy sector's value chains and power system for the continent, especially in light of the infrastructure deficits faced.[7] In particular, the electricity supply industry is leading digital transformation in energy, reshaping transmission and distribution networks.[8, 9] Some strategies are already underway, including the West African Power Pool, which in 2017 contracted General Electric for a regional grid digitalization project to be completed by 2021 for improved reliability, stability of energy, regional exchange and optimization of energy costs to the consumer.[10]

9. As Africa seeks to expand renewable sources of energy, digitalization offers opportunities in addressing constraints related to the integration into existing grids. The current Africa grid is "characterized by partial control, poor technology integration and optimization, reactive maintenance, and fragile systems".[11] Also, most are ill-equipped to integrate the variable nature of renewables. In contrast, the future grid will be one that accommodates varying capacities from multiple sources, delivers flexible power load as determined by demand, and is intelligent enough to be able controlled remotely and have predictive maintenance.[12]

10. However, new policy and regulatory frameworks are needed to address several challenges. Firstly, digital devices, advanced communications and interconnected systems are vulnerable to cyberattacks.[13, 14] Secondly, Africa

[4] Africa Energy Outlook 2019. Available at https://webstore.iea.org/download/direct/2892?fileName=Africa_Energy_Outlook_2019.pdf.

[5] Dahou, K. (2015). Increasing private investment in African energy infrastructure. Available at www.oecd.org/daf/inv/investmentfordevelopment/44171355.pdf. Accessed on 14 January 2020.

[6] Frost and Sullivan (2018). Digitization of Energy Transmission and Distribution in Africa: The Future of Smart Energy in Sub-Saharan Countries. Available at www.gegridsolutions.com/press/gepress/2018/WP-Digitization.pdf. Accessed on 14 January 2020.

[7] International Energy Agency (2018). Digitalization and Energy 2017.

[8] Engineering News (2019). Unleashing renewable power for African economic development. Available at http://m.engineeringnews.co.za/article/the-impact-of-digitalisation-and-iot-on-the-african-energy-sector-2019-01-28/rep_id:4433. Accessed on 14 January 2020.

[9] Turk, Dave, Luis Munuera, Laura Cozzi and George Kamiya (2018). The digital transformation of energy: from energy silos to digitally interconnected systems. Digitalisation of the Energy sector, *SETIS Magazine*, May. Available at https://setis.ec.europa.eu/publications/setis-magazine/digitalisation-of-energy-sector/digital-transformation-of-energy-energy. Accessed on 14 January 2020.

[10] Frost and Sullivan (2018) (see footnote 6).

[11] Ibid.

[12] International Energy Agency (2018) (see footnote 7).

[13] Van Stiphout, M. (2018). Digitalisation of the energy system: why does it matter and how can Horizon 2020 contribute? *SETIS Magazine*, May. Available at https://setis.ec.europa.eu/publications/setis-magazine/digitalisation-of-energy-sector/digitalisation-of-energy-system-why-does. Accessed on 14 January 2020.

[14] Vié, P. (2017). Energy's digital transformation: the opportunities and challenges faced by traditional players. 13 June. Available at www.capgemini.com/2017/06/energys-digital-transformation-the-opportunities-and-challenges-faced-0/. Accessed on 14 January 2020.

still faced challenges in obtaining data, as asset owners and operators may not be willing to share information concerning individual power plants and network infrastructure.[15] Lastly, the digitalization of power systems requires a different type of regulation and a new way of thinking about energy governance. The era of energy digitalization requires removing barriers to facilitate new markets, enable new forms of transactions and empower consumers. [16]

D. Key messages

11. Key messages include the following:

(a) The energy sector needs investment from diversified sources that include the private sector, which calls for action to tackle the current inadequate regulatory mechanism to crowd-in private investments and finance.

(b) To achieve universal access to affordable and clean energy, innovation is needed in delivery to customers, particularly in transmission, distribution and consumption. The power sector could take advantage of the "Internet of Things" to digitize the whole value of the supply system and increase efficiencies, while also accelerating access and accommodating renewable energy sources.

III. Sustainable Development Goal 8 (Decent work and economic growth)

A. Key trends and progress towards achievement of targets

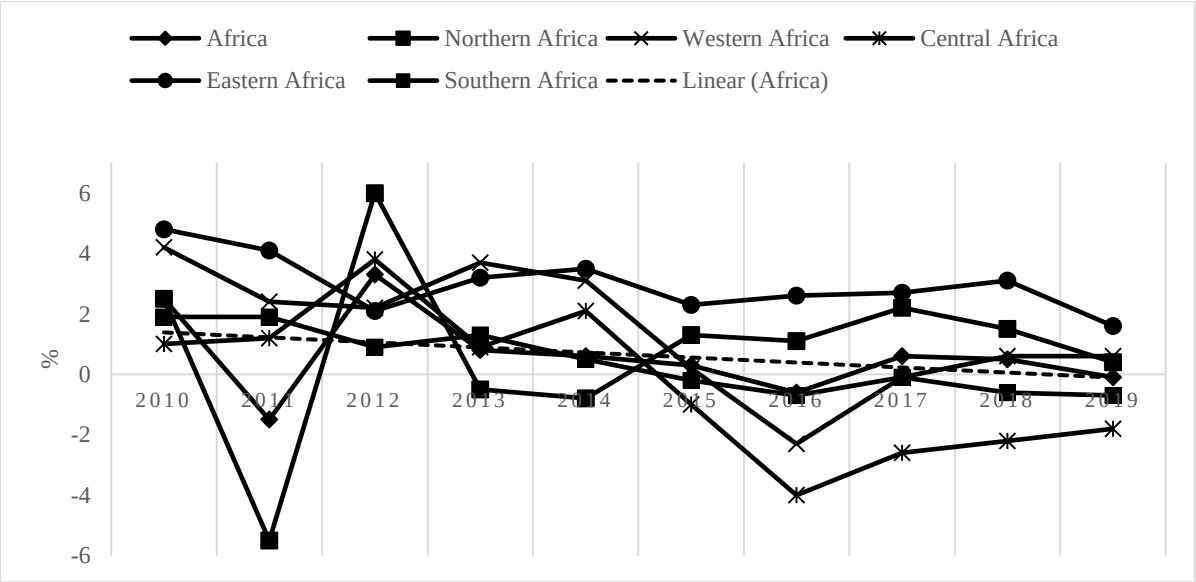
12. Economic growth in many African countries has slowed considerably over recent years, especially compared with the 2000s and the beginning of the 2010s (figure I). In particular, Western, Central and Southern Africa have repeatedly registered negative growth. At the same time, population growth has not abated and, therefore, GDP per capita growth has been close to or even below zero for several years now (figure I), with the average trend clearly showing a negative development over the decade. Currently, growth rates are far off the ambitions expressed in Sustainable Development Goal target 8.1.

[15] International Energy Agency (2018) (see footnote 7).

[16] Energy Consumer Market Alignment Project (EC–MAP) (2018). New policy for an era of energy digitalization. Available at http://ec-map.org/wp-content/uploads/2018/10/Power-Whitepaper.pdf. Accessed on 14 January 2020.

Figure I

GDP per capita growth, percentage

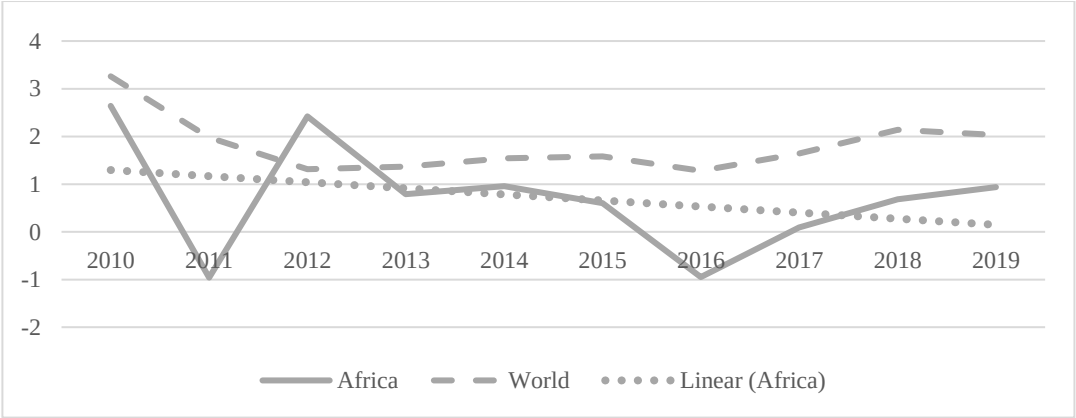


Source: IMF, *World Economic Outlook*, 2019.

13. Similarly, labour productivity (expressed as GPD per employed person) – while fairly volatile – has also slowed continuously since the beginning of the decade (figure II), and has quite consistently stayed behind world average rates. It is clearly not sufficient for reaching the targeted growth as specified by Sustainable Development Goal target 8.2.

Figure II

Productivity growth (annual growth rate of real GDP per employed person, by percentage, in constant 2010 United States dollars)



Source: ILO modelled estimates, November 2019.

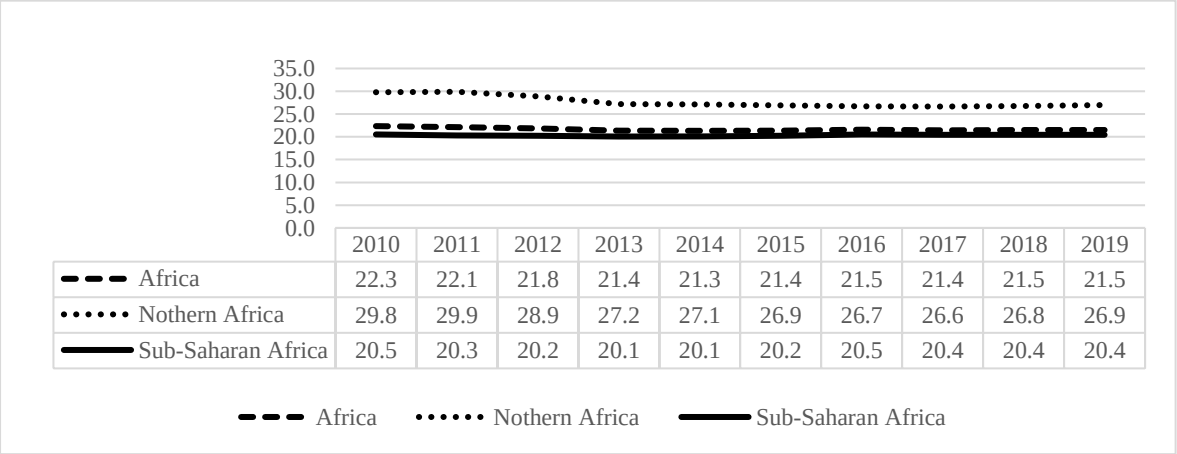
14. Unemployment remains high in Northern Africa (at about 12 per cent), while being comparatively low on average across Africa (6.8 per cent in 2019). Especially in Africa, excluding North Africa, many countries are mostly on track to meet targets. However, unemployment is not a sufficient indicator for labour market performance, given that many people are “too poor to be unemployed”, thus having to engage in lowly paid, insecure, unsafe and precarious employment activities.

15. Africa continues to experience the highest rates of informal employment by global standards. The share of informal employment and its components in total employment is high at 85.8 per cent for Africa, 67.3 per cent for North

Africa, 91 per cent for Central Africa, 91.6 per cent for Eastern Africa, 40.2 per cent for Southern Africa and 92.4 per cent for Western Africa. Also, figure III presents evidence of the high rates of youth not in employment, education or training.

Figure III

Youth not in employment, education or training, percentage



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	22.3	22.1	21.8	21.4	21.3	21.4	21.5	21.4	21.5	21.5
Nothern Africa	29.8	29.9	28.9	27.2	27.1	26.9	26.7	26.6	26.8	26.9
Sub-Saharan Africa	20.5	20.3	20.2	20.1	20.1	20.2	20.5	20.4	20.4	20.4

Source: ILO modelled estimates, November 2019.

16. Arguably as a result of these substantial labour market challenges, the working poverty rate (the rate of employed people who live below $1.90 purchasing power parity (PPP) is the absolute highest in Africa at an average of 32.1 per cent in 2019 (world average: 7.8 per cent). It is important to highlight that women and youth are especially disproportionally affected in this regard (working poverty is the worst among young females, at a rate of 39.4 per cent).

B. Gaps, constraints and emerging issues

17. The creation of full, productive and freely chosen employment and decent work for all is a central pathway to eliminate poverty. Economic growth and the promotion of full employment, decent work and economic growth mutually reinforce each other. There can be no full employment without strong economic fundamentals, while at the same time a healthy and prosperous labour force is the source for strong aggregate demand, which in turn boosts business opportunity and economic growth. The relationship forms a strong virtuous cycle if stimulated adequately.

18. The overarching challenge in most African countries is one of labour supply vastly outweighing labour demand in the context of continuingly high demographic growth, which results in unemployment, underemployment and often precarious working conditions for workers and business owners alike. For this reason, efforts to stimulate growth and employment towards achieving Sustainable Development Goal 8 consistently will have to take the labour demand side as the fundamental starting point.

C. Stepping up the pace and scale of implementation

19. A clear and dedicated focus on pro-employment economic policymaking (macroeconomic and sectoral) is needed. This includes a push for structural transformation and industrialization, employment-intensive infrastructure investments, promotion of skills development, sustainable small and medium-sized enterprises, safe and secure working environments, increasing climate

resilience and natural resource management, access to financial services, productivity and agricultural production, strengthening labour market information systems, employment services, and social protection interventions, as well as closing the gender gaps in the labour market.

20. In particular, concrete policy solutions are needed in order to revitalize growth and employment creation through the promotion of pro-employment structural transformation; industrialization; and value addition, through appropriate macroeconomic, sectoral and labour market policies. In addition, increasing employment-intensive investment in infrastructure, promoting skills development and employability, and improving employment services and provision of targeted active labour market policies will be key. Also central is enhancing and extending social protection interventions.

D. Key messages

21. Key messages include the following:

(a) A clear and dedicated focus on pro-employment economic policymaking (macroeconomic and sectoral) is needed.

(b) Efforts to stimulate growth and employment towards achieving Sustainable Development Goal 8 will have to consistently take the labour demand side as the fundamental starting point.

IV. Sustainable Development Goal 9 (Industry, innovation and infrastructure)

A. Key trends and progress towards achievement of targets

22. African countries' efforts to promote industrialization have yielded mixed results, and the continent generally lags behind other regions worldwide. From 2015 to 2018, the contribution of the manufacturing sector to GDP across African subregions remained below 14 per cent (figure IV), with variations between countries. Over the same period, manufacturing value added per capita (in constant 2010 United States dollars) varied widely – from below $100 in Eastern Africa to nearly $900 for Southern African – but remained well below the world average of about $1,700 (figure V). The industrialization performance of African economies so far reflects their continued dependence on commodities, often exported while adding minimal value and creating few jobs. In contrast, intra-African trade flows are characterized by higher industrial content than primary commodities.[17]

[17] Economic Commission for Africa (2018). African continental Free Trade Area: a catalyst for industrial development on the continent. Policy brief. Addis Ababa.

Figure IV

Manufacturing value added as percentage of GDP, 2015–2018 (World and African regions)

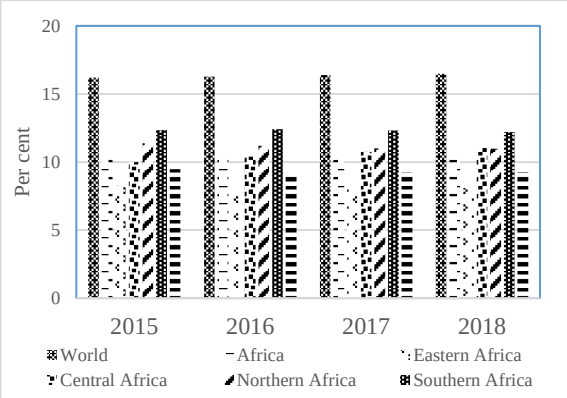
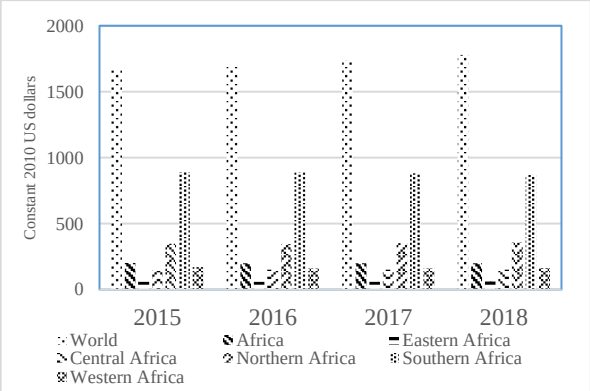


Figure V

Manufacturing value added per capita, in constant in 2010 United States dollars, 2015–2018 (World and African regions)



Source: United Nations Statistics. Available at https://unstats.un.org/sdgs/indicators/database. Accessed on 14 January 2020.

23. Concerning infrastructure, huge deficits are observed in the region. Some initiatives that intend to address these gaps include the Trans-African Highway road network, connecting all major cities in Africa along established transport corridors; the African Integrated High-Speed Railways Network; and the Single African Air Transport Market/African Single Sky.

24. In terms of innovation, no African country has met the target set by the African Union of reaching 1 per cent of GDP expenditure on gross domestic expenditures on research and development (R&D). Current estimates suggest the continental average to be about 0.5 per cent of GDP, with countries such as Tunisia and South Africa above 0.7 per cent of GDP. Put differently, India now spends more money on R&D than the entire African continent.[18]

25. Currently, African exports of high-technology products[19] remain low. Estimates suggest that Africa accounts for only 0.3 per cent of the $2.3 trillion global exports of high-technology products, 0.2 per cent of the global $423 billion payments for intellectual property, and 0.07 per cent of the global $380 billion in receipts from exports of intellectual property. Yet some evidence suggests that African firms are as innovative as any other firms elsewhere in the world (NCPA, 2014).

B. Gaps, constraints and emerging issues

26. Fragmentation of African economies, coupled with numerous infrastructure bottlenecks, undermines the competitiveness of African firms. However, the Agreement Establishing the African Continental Free Trade Area (AfCFTA) makes provisions to address these issues through progressive elimination of tariffs and removal of non-tariff barriers on intra-African trade. Once fully implemented, AfCFTA will integrate a market comprising 55 African Union member States and more than 1.2 billion people. To seize opportunities arising from AfCFTA, it will be critical to address binding

[18] World Intellectual Property Organization (WIPO) (2019). Global Innovation Index 2019. Available at www.wipo.int/global_innovation_index/en/2019/. Accessed on 24 January 2020.

[19] High-technology exports are products with high research and development intensity, such as aerospace, computers, pharmaceuticals, scientific instruments and electrical machinery. Data are in current United States dollars.

constraints, including deficiencies in human capital in Africa. For example, the skills gap throughout the continent comprises 4.3 million engineers and 1.6 million agricultural scientists and researchers.[20] There is a need to tailor national education systems to support industrial development and minimize skills gaps and mismatches.

27. It is also imperative to consider the opportunities and challenges associated with the Fourth Industrial Revolution, especially the digital economy incorporating advanced robotics, factory automation, Internet of Things, cloud computing, big data analytics and artificial intelligence. These developments, which have drastically changed the nature of manufacturing, present opportunities to reduce costs and increase efficiencies of manufacturing and other industrial operations in Africa. However, they have not yet been fully utilized in the region.

28. The major barriers to innovation in firms include lack of funds and lack of expertise within the firm. This is particularly important given that acquisition of machinery and in-house R&D accounted for a large share of expenditure on innovation activities by African firms in most countries. This perhaps calls on Governments to support African firms to acquire technologies in the form of capital goods, and provide incentive that foster R&D performance at firm level to drive innovation activities. It is necessary to undertake R&D surveys as well as innovation surveys to generate data to support policymaking.[21]

29. Africa's universal access to ICT seems achievable. However, important challenges remain. The region's share of global Internet traffic (46,000 gigabytes per second),[22] in patents on blockchain, in global spending on the Internet of Things, and on the global market of commercial cloud computing, is less than 1 per cent in all cases. In addition, Africa's presence in the world's 70 largest digital platforms [23] is also below 1 per cent. Poor Internet infrastructure, the cost of the Internet, and the risks and costs associated with increased use of the Internet in business are some of the factors possibly discouraging African firms and institutions from investing in increased use of digital solutions. The continent also has limited expertise in the key technologies that underpin the digital economy, such as artificial intelligence, machine learning and cloud computing.

C. Stepping up the pace and scale of implementation

30. Effective implementation of the Agreement Establishing AfCFTA, and complementary measures such as building domestic productive capacities, will help African countries better integrate into global value chains within the context of globalization, where the interconnection and interdependence between industrial development and trade is increasing.

31. Concerning infrastructure, investments in resilient infrastructure assets, promotion of integrated economic zones for industrial development and implementation of trade facilitation measures are needed to improve competitiveness. Fostering digital platforms for trade in industrial goods at subregional and continental levels will also be important to provide market

[20] African Capacity Building Foundation (ACBF) (2016). African Critical Technical Skills: Key Capacity Dimensions Needed for the First 10 Years of Agenda 2063. Harare, Zimbabwe.

[21] Note that R&D surveys and innovation surveys are conducted separately.

[22] United Nations Conference on Trade and Development (UNCTAD) (2019). *Digital Economy Report 2019: Value Creation and Capture: Implications for Developing Countries* (United Nations Publications, Sales No. E.19.II.D.17).

[23] Ibid.

information, including opportunities for producers and traders in the AfCFTA context, among others.

32. Continuous improvements are also needed in the business environment to mobilize foreign direct investment and private sector participation in infrastructure development. An environment that makes it easier for businesses to access finance and channel investment into high value added segments of value chains for goods and services is key. Efforts should also be doubled to seed and grow as well as attract knowledge-intensive firms to undertake R&D activities and produce knowledge-intensive products. Investments aimed at enhancing access to digital technologies and digital skills are vital to building a competitive workforce while enabling digital trade to foster trade of industrial goods and services in Africa.

D. Key messages

33. Key messages include the following:

(a) The African Continental Free Trade Area is a catalyst for the continent's industrial transformation and countries to achieve the target of doubling industry's share in their GDPs by 2030;

(b) The opportunities offered by digitization for accelerating Africa's industrialization as well as trade need to be harnessed through deliverable policies and investments;

(c) Addressing infrastructure deficits is a priority for accelerating industrialization and regional economic integration in Africa, for which it is necessary to boost domestic resource mobilization, foreign direct investment and private sector participation in infrastructure development.

V. Sustainable Development Goal 10 (Reduced inequalities)

A. Key trends and progress towards achievement of targets

34. Africa has registered significant progress since 2000 in terms of lifting people out of poverty and reducing inequalities. However, the prevalence of extreme poverty remains high. Estimates indicate that, even if every country in other world regions had zero extreme poverty by 2030, the average rate in Africa would have to decrease from the 2015 rate of 41 per cent to about 17 per cent for the global average to be 3 per cent. That would require an unprecedented annual growth rate for the region.

35. In addition, inequalities persist regarding income and wealth, and people with access to nutritional food, basic health care, education, land, clean water, and other services that are essential for living a full and dignified life. Regarding improvements in incomes of the poorest, the share of the bottom 40 per cent of the population in 7 of the 13 countries in Africa with comparable data increased much more slowly than that of the total population between 2008 and 2015 (see the shaded area in table 1). Globally, in 64 per cent of the countries from which data are available, the income of the poorest 40 per cent of the population grew more rapidly than the national average. In Africa, this figure is only 46 per cent. What is more, less than 18 per cent of the population in Africa is effectively covered by at least one social protection benefit, while the remaining 82 per cent – approximately 800 million people – are left

unprotected. If interventions are not made to change these trends, the next generation could face similar or higher levels of inequality.[24]

Table 1

Growth in mean consumption per capita of the bottom 40 per cent, compared with the total population

Country	*Period*	*Annualized growth in mean consumption of income per capita*		*Mean consumption or income per capita*			
				Initial year	*Most recent year*	*Initial year*	*Most recent year*
		Bottom 40 per cent	*Total population (percentage)*	*Bottom 40 per cent (United States dollars a day, PPP)*	*Total population (United States dollars a day, PPP)*	*Bottom 40 per cent (United States dollars a day, PPP)*	*Total population (United States dollars a day, PPP)*
Burkina Faso	2009–2014	5.84	2.93	1.04	2.39	1.38	2.76
Côte d'Ivoire	2008–2015	0.74	-0.22	1.46	3.91	1.53	3.84
Egypt	2010–2012	2.58	0.78	2.84	5.17	2.99	5.25
Ethiopia	2010–2015	1.67	4.91	1.48	2.88	1.61	3.66
Mauritania	2008–2014	3.17	1.44	2.37	5.27	2.86	5.74
Mozambique	2008–2014	1.52	5.36	0.72	1.96	0.78	2.65
Namibia	2009–2015	5.73	6.64	1.75	7.79	2.41	11.27
Niger, the	2011–2014	-0.06	3.26	1.27	2.35	1.27	2.59
Rwanda	2010–2013	4.82	2.78	0.90	2.43	1.03	2.63
South Africa	2010–2014	-1.34	-1.23	2.12	11.80	1.99	11.11
Togo	2011–2015	2.76	0.82	0.89	2.63	0.99	2.71
Uganda	2012–2016	-2.15	-0.96	1.39	3.32	1.28	3.19
Zambia	2010–2015	-0.59	2.93	0.68	2.59	0.66	2.99

Source: World Bank (2018). *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*. Washington, D.C.: The World Bank Group.

Note: PPP = purchasing power parity.

36. The marginalization and exclusion from major decision-making processes of many vulnerable groups – including, inter alia, indigenous peoples, women and girls, persons with disabilities and young people – remains a challenge, despite noteworthy progress in fostering inclusion.

B. Gaps, constraints and emerging issues

37. More than 50 per cent of the world's extreme poor are in Africa. By 2030, the share of the extreme poor living in Africa could be much higher. Additionally, overall, consumption inequality in Africa appears to have remained broadly unchanged. Rapid growth in the region has boosted per capita income, and poverty rates have fallen, though slowly. Wide income and consumption disparity throughout the population remains, and has even increased in many countries, making it the second most unequal region in the world after Latin America and the Caribbean, although there is considerable variation among countries.

38. Inequalities can also be spatial in nature. Rural people are disproportionately affected by poverty, with the poverty rate being three times higher than in urban areas, and rural people account for 79 per cent of the total global poor. The most pronounced inequalities occur when rurality intersects with other forms of marginalization resulting from variables such as gender, ethnicity and age, as well as disproportionate exposure to food insecurity, violence and climate pressures.

[24] World Bank (2018). *Poverty and Shared Prosperity 2018: Piecing Together the Poverty Puzzle*. Washington, D.C.: The World Bank Group.

C. Stepping up the pace and scale of implementation

39. For African countries to reach the goal of 3 per cent extreme poverty, growth rates must increase and consumption levels among the bottom 40 per cent of the population must also rise. Africa needs strong and sustained economic growth, but the level and quality of economic growth matter, for greater inclusion and significant and rapid improvement in the living standards of the bottom 40 per cent of the population.

40. Increasing wealth and income at the bottom – as well as increasing access to non-income opportunities and achieving greater equality of outcomes – is one way of reducing inequality. Systematic analysis of exclusion in all its forms is vital and specific interventions are needed to remove social, economic and political barriers to opportunities and outcomes.

41. Migration is one of the most effective paths for individuals to have access to higher wage jobs and overcome barriers to socioeconomic mobility. Furthermore, well-managed migration offers substantial positive outcomes for countries of destination as well as countries of origin. Therefore, facilitating migration should be a priority, along with expanding the possibilities for people to realize their human development aspirations and potential through mobility.

42. Monitoring the comprehensive attainment of Sustainable Development Goal 10 in Africa is limited by data unavailability. Data needed to assess shared prosperity are least available in the countries where the greatest improvements need to be made. Only one in four countries in Africa has data that make it possible to monitor target 10.1 of shared prosperity.

D. Key messages

43. Key messages include the following:

(a) Strong and sustainable economic growth is necessary for greater inclusion and significant and rapid improvement in the living standards of the bottom 40 per cent of the population.

(b) Migration governance should be considered as an integral part of all development efforts.

(c) Greater coordination is required across government ministries and agencies for implementing the indicators of Sustainable Development Goal 10.

VI. Sustainable Development Goal 11 (Sustainable cities and communities)

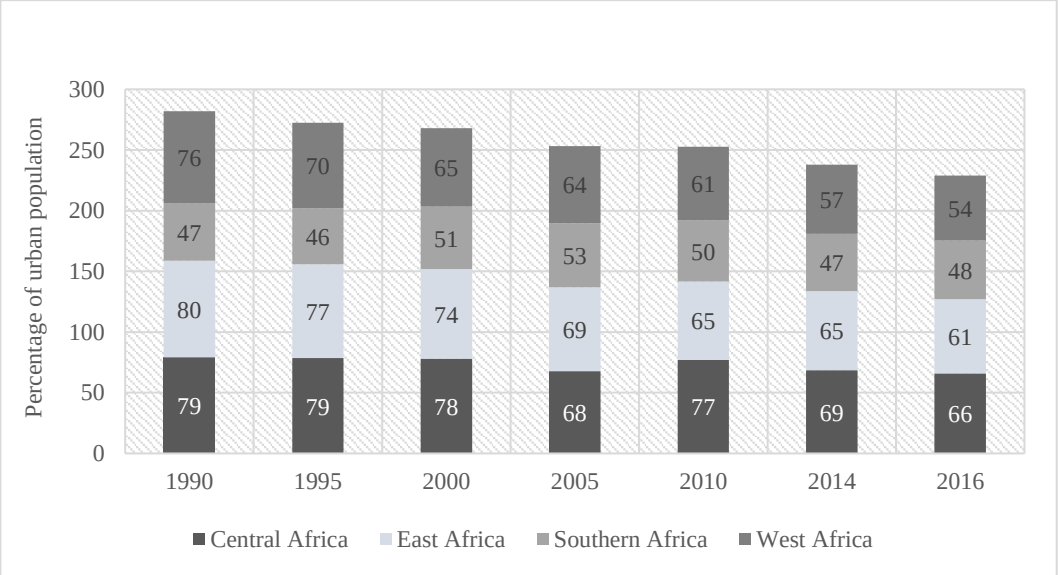
A. Key trends and progress towards achievement of targets

44. Progress on Sustainable Development Goal 11 targets for which data are available has been varied and at best modest in Africa. One of the major challenges that Africa's cities and human settlements face is the high proportion of urban populations living in slums (figure VI), a focus for Sustainable Development Goal 11.1. Africa continues to have a much higher proportion of slum dwellers globally. Although the proportion of the urban population living in slums in Africa as a whole declined to about 34 per cent in 2014 from 37.5 per cent in 2010, this constituted 24 per cent of the global slum

population. Moreover, during this period, the absolute number of people living in Africa's slums increased by 14.8 million, to about 212 million people.[25]

Figure VI

Average proportion of urban population living in slums



Source: Global Urban Observatory, UN-Habitat, 2018.

45. With Africa having the world's highest rate of urban growth (3.58 per cent),[26] the demand for infrastructure and services related to transport, water and sanitation, and energy, is pressing. Available data illustrate critical deficits adding costs to both households and firms. For example, transport accounts for as much as 8 to 16 per cent of household expenditures in African cities, and even higher for lower income households, which at times spend more than 30 per cent of their monthly budgets on basic travel requirements.[27] What is more, in 2019 just 56 per cent of urbanites in Africa, with the exception of those in North Africa, have access to piped water, a steep decrease from 67 per cent in 2003. In addition, only 11 per cent have access to a sewer connection.[28]

46. Africa's rapid urban growth is also accompanied by challenges regarding air quality prioritized in Sustainable Development Goal 11.6. In 2016, none of the sub-regions met the target of particulate matter (PM) 2.5, which is 10µg/m3, implying that African cities are not adhering to the levels and quality of air needed for healthy living.

[25] Economic Commission for Africa (2018). *Africa Sustainable Development Report: Towards Transformed and Resilience Societies* (United Nations publication, Sales No. E.19.II.K.1). Available at www.uneca.org/sites/default/files/PublicationFiles/asdr_2018_en_web.pdf. Accessed on 24 January 2020.

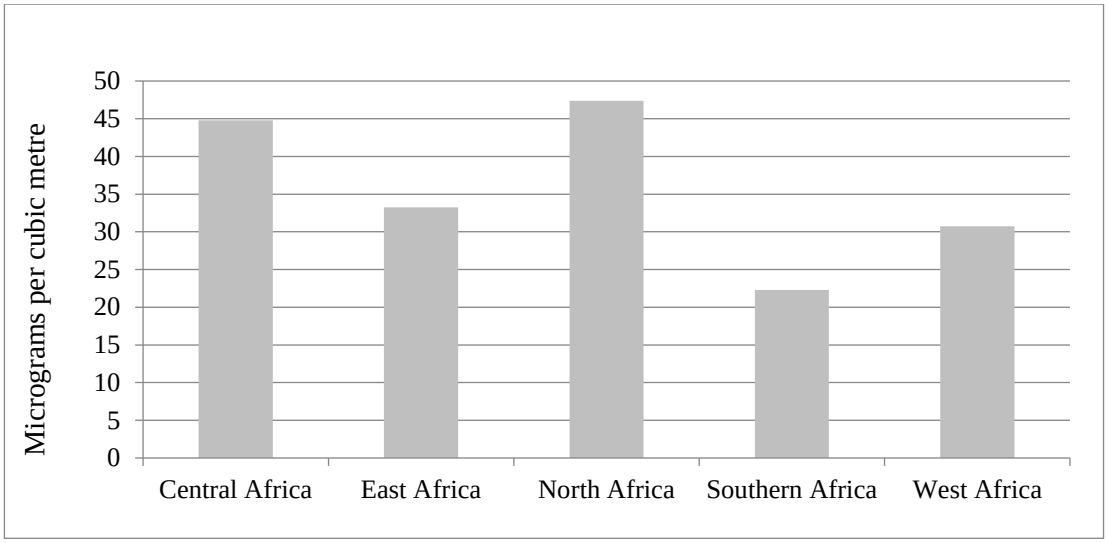
[26] United Nations Department of Economic and Social Affairs (2019). *World Urbanization Prospects: The 2018 Revision* (United Nations Publications, Sales No. E.19.XIII.7).

[27] World Bank (2015). Stocktaking of the Housing Sector in Sub-Saharan Africa. Washington, D.C.: The World Bank Group.

[28] Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2019). Access to Water and Sanitation in Sub-Saharan Africa (2019). GIZ: Eschborn.

Figure VII

Average annual mean level of fine particulates in cities in 2016



Source: Global Urban Observatory, UN-Habitat, 2018.

B. Gaps, constraints and emerging issues

47. Urbanization can be a vehicle to create wealth, generate employment and drive human progress by harnessing agglomeration forces and industrialization for inclusive and sustainable development.[29] Despite this potential, African cities face binding constraints, including poor infrastructure, dysfunctional land and property markets, inefficient transport systems, pervasive unemployment, high poverty and inequality. Notably, the region is urbanizing without industrializing and without structurally transforming. Also, the role of urbanization is not sufficiently linked to national development planning processes and growth strategies in policymaking, with weak articulation of the role of Sustainable Development Goal 11 in the achievement of other Sustainable Development Goals.

48. One of the greatest challenges that Africa faces in relation to Sustainable Development Goal 11 and cities in particular is the lack of robust, reliable, relevant and disaggregated data to support evidence-based policy formulation and overall monitoring and evaluation of development outcomes. Only 6 of the 15 indicators for Sustainable Development Goal 11 (40 per cent) have data and sufficiently-defined methodologies to measure progress.[30] Building and strengthening national statistical systems are critical to be able to collect, disaggregate, manage and analyse economic, social and environmental data at city level.

C. Stepping up the pace and scale of implementation

49. Given its implications, overall growth and transformative effects, urbanization should be integrated into national development planning from a strategic, multisectoral standpoint, linked to socioeconomic and sectoral priorities, policies and strategies. In addition, given the predominantly rural population and agriculture-led economies of Africa, it is important to

[29] Economic Commission for Africa (2018). *Africa Sustainable Development Report: Towards Transformed and Resilience Societies* (United Nations publication, Sales No. E.19.II.K.1). Available at www.uneca.org/sites/default/files/PublicationFiles/asdr_2018_en_web.pdf. Accessed on 24 January 2020.

[30] Ibid.

emphasize the rural–urban linkages in policies, strategies and programmes at all levels, whether regional, national or local. A sectoral, silo approach to urbanization will fail to unleash the demonstrated potential of urbanization to advance inclusive social and economic prosperity.

50. Strategic investments in urban infrastructure and services – including energy, transport, water, sanitation and waste management – will enhance the potential of cities to facilitate sustainable development in Africa. Currently, the potential of African cities to deliver improved economic and social outcomes is significantly undercut by huge infrastructure and service deficits. The return on urban investment is also high, in particular when investment occurs under a good planning framework, aligned with private sector investment, and paired with well-functioning revenue and land value capture tools.

51. African countries should take advantage of urbanization when it occurs. African cities are growing quickly, but that does not make them productive. Productivity arises from the density of economic activities in a well laid out and managed spatial economy. The prevalence of slums and informality in African cities indicates the resilience and creative energy of people, and also the productive opportunities lost through lack of planning and investment in advance of urban growth. The good news, though, is that countries can exploit the urban transition, which is still in process.

D. Key messages

52. Key messages include the following:

(a) Well-planned and managed cities are necessary for the achievement of all Sustainable Development Goals in Africa, including in rural areas, given that the region is fast becoming majority urban.

(b) Investments are urgently needed to address the binding constraints to the productivity capacities of African cities, especially regarding infrastructure, energy and institutional capacities.

(c) Building and strengthening national statistical systems to be able to collect, disaggregate, manage and analyse economic, social and environmental data at city level are critical.