

**Economic Commission for Africa
Africa Regional Forum on Sustainable Development
Eighth session**

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Item 7 (e) of the provisional agenda*

**Parallel meetings for an in-depth review of progress made
and peer learning on the sub-themes of the Regional Forum:
Parallel meeting on the sub-theme of partnerships****Global solidarity, shared responsibility, streamlining
cooperation and fostering of means of implementation
for building forward better towards fast-tracking
sustainable development****A. Background**

1. The current pandemic is a wake-up call for humanity to revitalize international cooperation, fostering transnational partnerships and establishing capable global, regional and national institutions dealing with universal risks in a sustainable manner. The political will and fiscal stimulus being mobilized in developed countries to combat the coronavirus disease (COVID-19) pandemic demonstrate that, when push comes to shove, humanity can step up to deal with complex global challenges. In order to build forward better, Goal 17 of the 2023 Agenda for Sustainable Development, which aims to strengthen partnerships for the realization of all other Goals, must be pursued with the same decisiveness, solidarity, urgency and commitment as the fight against COVID-19.
2. Global solidarity, shared responsibility, the streamlining of horizontal partnerships and cooperation between nation States, both developed and developing, extending responsibility from governments to the global community, the private sector, philanthropic organizations and civil society will be instrumental in ensuring proper recovery. Focusing on key means of implementation, including finance for development, capacity-building, peer learning, knowledge-sharing, trade facilitation, effective public-private partnerships and access to technologies, will be imperative for the attainment of such a recovery.
3. Where financing for development is concerned, Africa was already facing considerable challenges prior to the outbreak of the COVID-19 pandemic. These challenges included high debt-to-GDP ratios and fiscal space deficits, the prohibitive costs of borrowing and the depreciating domestic currencies of many African currencies. These challenges have only been exacerbated by the pandemic and its associated response measures, such as social distancing, lockdowns and border closures, which have had significant adverse impacts on the continent's economy and social well-being.

* ECA/RFSD/2022/1.



4. The trade sector has been adversely affected by the global trend observed during the COVID-19 pandemic, principally through the disruption of goods and services supply chains and the ensuing social impacts. At the same time, however, the pandemic has created an invaluable opportunity for the African Continental Free Trade Area to reconfigure the continent's supply chains, to reduce reliance on others and to expedite the establishment of regional value chains that will boost intra-African trade.

5. Furthermore, technology has been critical in finding appropriate health-related responses to COVID-19, tracking the evolution of the virus that causes it, and keeping the world at work and families and friends in touch during the pandemic. Advanced digital technologies, biotechnologies and nanotechnology have enabled teams to quickly decode the genetic makeup of the virus, design vaccines and bring them to market in record time. While North-South and South-South research partnerships have continued to grow, technology collaboration remains weak, as highlighted by the significant debate over intellectual property rights and unequal vaccine distribution.

6. Reporting on progress against the Sustainable Development Goals and the availability of data relevant to the Goals has improved across the continent over the last decade. As of June 2021, African countries reported on average on six more Goals indicators than in 2019.¹ More efforts are still needed to strengthen the capacity of African national statistical offices to produce and disseminate data in a timely fashion for the purposes of reporting on the Sustainable Development Goals and the goals of Agenda 2063: The Africa We Want, of the African Union, and for their monitoring and evaluation.

7. All the above require efficient development planning, economic policy management and analysis and improved performance by the public sector. Achievement of the goals will require countries to complement reforms with sustained capacity-building and to foster proactive and responsive public institutions with the ability to mitigate shocks.

8. Building on the outcomes of the seventh session of the Africa Regional Forum on Sustainable Development, held in Brazzaville, the present paper reviews key trends and progress in such areas as finance, trade, technology, data and statistics and capacity-building, along with gaps, constraints and emerging issues in those areas; discusses related opportunities and transformative actions; and puts forward recommendations for further partnerships and other measures designed to build forward better and accelerate implementation of the 2030 Agenda for Sustainable Development and Agenda 2063.

B. Key trends and progress

1. Finance

9. Average real growth of gross domestic product (GDP) in Africa has been modest, at an average of 3.2 per cent over the 2017–2019 period, against a backdrop of falling flows in foreign direct investment (FDI), downward trends in tax-to-GDP ratios and rising illicit financial flows. At the same time, the low global interest rates precipitated by quantitative easing measures have increased capital market access by more African countries as investors capitalized on the relatively higher returns earned by African sovereign bonds. The COVID-19 pandemic disrupted economic activities, leading to unexpected contractions in GDP, employment and income. The Economic Commission for Africa (ECA) reports that the continent's GDP, having grown by 3.2 per cent in 2019, contracted by 3.2 per cent in 2020 as a consequence of disruptions in economic activity, trade and supply chains, a decline in overall demand and a slump

¹ See Sustainable Development Goals Center for Africa and Sustainable Development Solutions Network, *SDG Index and Dashboards Report 2020* (Kigali and New York, 2020). Available at https://s3.amazonaws.com/sustainabledevelopment.report/2020/2020_africa_index_and_dashboards.pdf.

in commodity prices, exacerbated by a dip in development financing. Thanks to vaccination efforts across the continent and government policies to support economic recovery, growth is picking up and is expected to regain its pre-COVID-19 level of 3.2 per cent.

10. To respond to the pandemic, most African governments increased their expenditures to boost the capacity of their health-care systems, purchase medical equipment and raise salaries for health personnel. They also provided support for workers' unemployment insurance benefits and for hard-hit sectors such as tourism. Some countries implemented various tax incentives, including exemptions of value-added tax (VAT) and customs duty in specific sectors, revenue deferral mechanisms and economic stimulus measures to boost liquidity and cash flow. Consequently, ECA estimates that government total revenues have been hit, stagnating at around 20 per cent of GDP against an average public expenditure of 27 per cent of GDP in 2020, resulting in an average fiscal deficit of 7.6 per cent of GDP in the same year. The fiscal deficit of Africa is expected to narrow slightly to about 5.0 per cent of GDP in 2022 as the economy recovers.

11. Although countries of the Organization for Economic Co-operation and Development (OECD) have been collectively falling short of their target to dedicate 0.7 per cent of their gross national income to official development assistance (ODA), ODA has historically been a relatively resilient means of finance. For instance, according to preliminary figures for 2020, ODA to Africa rose by 4.1 per cent in real terms to \$39 billion,² somewhat cushioning the impact of the COVID-19 pandemic. By contrast, in 2020, all other major external financing flows for developing countries, such as tax revenues, trade, FDI and remittance flows, fell because of the pandemic. In addition, the transfer cost of remittances in particular to sub-Saharan African countries remains excessively high, at an average of 8 per cent, compared to the 3 per cent objective set up for 2030. Billions of dollars are lost every year for development because of these high fees.³

12. Beyond the catalytic role of ODA and remittances, a much larger portion of financing for development in Africa comes from domestic resource mobilization and savings, making these sources of finance key to efforts by Africa to achieve the goals and aspirations of the 2030 Agenda and Agenda 2063.⁴ Africa loses some \$88.6 billion per year through illicit financial flows – more than twice as much as it receives in the form of ODA – depriving countries of precious domestic financial resources to fund sustainable development.⁵ Improving tax collection, formalizing the informal economy, stemming illicit financial flows and recovering stolen assets will enable the continent sustainably to finance its development priorities.

2. Technology and innovation

13. Technology has been one of the invaluable opportunities given prominence by the pandemic. It contributes significantly to the shaping of efforts by governments to curb the spread of COVID-19. With the use of innovative tools, such as robots, some African countries have been able to identify COVID-19 cases and to track the evolution of the virus that causes it.

14. Technology and innovative apps are also helping to build social resilience during lockdowns and restrictive measures, to keep the world and families connected during the pandemic. As of November 2021, about 24 COVID-19 vaccines had

² Organisation for Economic Co-operation and Development, "COVID-19 spending helped to lift foreign aid to an all-time high in 2020", press release (Paris, 13 April 2021).

³ Dilip Ratha and others, "Recovery: COVID-19 crisis through a migration lens", Migration and Development Brief 35 (Washington, D.C., KNOMAD-World Bank, November 2021). Available at <https://www.knomad.org/publication/migration-and-development-brief-35>.

⁴ For a more detailed analysis, please see Office of the Special Adviser on Africa, Policy Brief on ODA, forthcoming.

⁵ United Nations Conference on Trade and Development, *World Investment Report 2021* (Geneva, 2021).

entered the market, 132 vaccine candidates were in clinical trials and 194 in pre-clinical development. Of those, seven have been approved by the World Health Organization (WHO). Advanced digital technologies, biotechnologies and nanotechnology have enabled teams to quickly decode the genetic makeup of the virus, design vaccines and bring them to market in record time. For example, the Pfizer-BioNTech and Moderna mRNA-based COVID-19 vaccines use lipid nanoparticles for safe and accurate delivery. In this way, several technologies have been employed to bring one product to market and to mitigate the impact of the disruption of the traditional supply channel of the goods and services.

15. While North-South and South-South research partnerships have continued to grow, technology collaboration remains weak, as highlighted by the significant debate over intellectual property rights and unequal vaccine distribution. While 42 per cent of the global population is fully vaccinated, fewer than 10 per cent of Africans are fully vaccinated. Apart from Egypt (13.5 per cent) and South Africa (23.1 per cent), in the continent's most populous nations (Nigeria, Ethiopia, Democratic Republic of the Congo and United Republic of Tanzania), fewer than 2 per cent of the population are fully vaccinated. It is not just the limited supply of COVID-19 vaccines that needs to be addressed but also that of the right syringes and distribution chains.

16. The current desire to collaborate presents a rare opportunity for African firms, institutions and governments to seek technology partnerships and investment to improve the research, production and manufacturing of vaccines and other medical supplies, including medical devices. Yet, only a handful of countries have concluded such agreements. For instance, at least three African countries (Algeria, Egypt and South Africa) have signed partnership agreements with other countries (for example, the Russian Federation) and firms (such as Pfizer and BioNTech) to manufacture COVID-19 vaccines, while others such as Ethiopia, Morocco and Senegal have concluded agreements with a variety of partners to expand manufacturing facilities. In addition, WHO, the COVID-19 Vaccine Global Access Facility (COVAX) and a number of universities, research institutes and firms have launched the first African messenger RNA technology hub in South Africa to provide a platform for the research, design and production of mRNA-based vaccines technology that would be transferred to partners in Africa.

17. As for digital technologies, in 2020, Africa recorded 27.5 billion transactions (up by 15 per cent) worth \$495 billion (up by 23 per cent over 2019) and the number of registered accounts surpassed the half billion mark (562 million). By 2020, Africa was home to 590 million Internet subscribers. Nonetheless, the continent has yet to fully capture the benefits of digital technologies to power innovations, business development, public service delivery and communities.⁶

3. Trade

18. African trade has been affected in line with the global trend observed during the COVID-19 pandemic mainly because of the disruption of supply chains. The World Trade Organization (WTO) forecasts that the volume of merchandise trade will grow by 10.8 per cent in 2021, followed by a 4.7 per cent increase in 2022 globally. In Africa, volumes of merchandise trade will grow by 9.2 per cent in 2021 and 5.1 per cent in 2022.⁷ This trend is mainly driven by factors related to growth in China, the impact of the relaxation of lockdowns and the recovery in commodities. Africa is experiencing a slower recovery than that of other regions, however.⁸ The growth of export volumes in 2021 measures about 7 per cent while the target for imports has

⁶ Toby Shapshak, "Mobile money in Africa reaches nearly \$500bn during pandemic", Forbes article, 19 May 2021. Available at www.forbes.com/sites/tobyshapshak/2021/05/19/mobile-money-in-africa-reaches-nearly-500bn-during-pandemic/?sh=47d081603493.

⁷ World Trade Organization, "Global trade rebound beats expectations but marked by regional divergences", press release 889, 4 October 2021, Geneva. Available at www.wto.org/english/news_e/pres21_e/pr889_e.htm.

⁸ Ibid.

been set at 11.3 per cent. Looking at cumulative growth from 2019 to 2021, exports declined by 2.4 per cent and imports by 1 per cent in Africa. Africa has been adversely affected by the increase in transaction costs and disruption of global value chains.

19. African commodity-dependent economies are more vulnerable to macroeconomic instabilities due to commodity price volatility, in addition to the economic and social challenges posed by the pandemic. The United Nations Conference on Trade and Development estimates that transport costs could increase global import prices by 11 per cent and consumer prices by 1.52 per cent over the period 2022–2023. Least developed countries and small island developing States are particularly dependent on trade flows in intermediate and consumption goods.⁹ The operationalization of the African Continental Free Trade Area can help those countries to reduce their dependence on global commodity markets and vulnerability to exogenous shocks.

20. According to ECA and the Centre for International Research and Economic Modelling,¹⁰ the Agreement Establishing the African Continental Free Trade Area is expected to have a positive impact on the continent's overall GDP, trade, output and welfare. With this agreement, intra-African trade in 2045¹¹ is projected to rise by 35 per cent, boosting competitiveness to support further industrialization and economic transformation. Implementation of the agreement could support the diversification of African production and trade partners, while reducing the vulnerability to external shocks. Furthermore, the share of intra-African trade will increase from 15 to more than 26 per cent with the operationalization of the Area. The African Continental Free Trade Area will strengthen the continent's productive capacities, in particular in industry, by improving access to new technologies, encouraging innovation and fostering development of the services sector.

4. Data and statistics

21. According to the Principles and Recommendations for Population and Housing Censuses, issued by the Statistics Division of the Department of Economic and Social Affairs, each country must conduct such an operation at least once every 10 years. In Africa, since 2000, participation rates in the census rounds have been increasing. To date, most African countries have conducted at least one population census. In all, 47 African countries have participated in the 2010 round of population and housing censuses, an increase from 38 in 2000. COVID-19 had a negative impact on the 2020 round of the censuses, causing postponement in many countries. To date, 11 countries have already participated in this 2020 round while a further 40 are planning to hold their population censuses in the coming years.

22. In both 2019 and 2020, only 29 African countries had in place national statistical laws that complied with the Fundamental Principles of Official Statistics. This is an area earmarked for further technical support. In 2019, the birth registration data was at least 90 per cent complete in 30 African countries, up from 22 per cent in 2015. In 2018, around \$190 million was made available to strengthen statistical capacity in Africa.

23. Most African countries still face challenges in reporting on the Sustainable Development Goals and Agenda 2063, due to their weak statistical capacity and data governance framework. Across the continent, a range of initiatives are being deployed to overcome this challenge; principal among these are the ECA integrated planning

⁹ United Nations Conference on Trade and Development, "High freight rates cast a shadow over economic recovery", 18 November 2021, Geneva. Available at <https://unctad.org/news/high-freight-rates-cast-shadow-over-economic-recovery>.

¹⁰ Assessment based on computable general equilibrium modelling. For further details, see https://uneca.org/sites/default/files/keymessageanddocuments/en_afcfta-infographics-11.pdf.

¹¹ While the African Continental Free Trade Area reforms are expected to be fully implemented by 2035, results are presented as for 2045, to leave sufficient time for the dynamic adjustment of all the variables in the model.

and reporting toolkit, designed to adopt both the 2030 Agenda and Agenda 2063 as part of countries' national development plans in an integrated way and simultaneously to report on progress under both agendas.

24. The African Union, represented by the African Union Commission, the African Governance Architecture, the African Peer Review Mechanism and the African Union Development Agency, also worked in a collaborative manner in preparing the second continental report on Agenda 2063, among other activities to address these issues.

5. Capacity-building

25. The continent's potential for economic growth and transformation is challenged by natural and human-induced factors, such as pandemics, environmental degradation, climate change, conflict and other phenomena. These render African economies vulnerable to the risk of frequent disasters that set back development gains and slow the pace of the continent's transformation. One of the key lessons drawn from the COVID-19 pandemic is the need to make development plans resilient and inclusive. Sustainable development cannot be realized without resilience, and the latter cannot be achieved without clear strategies, including disaster frameworks and responsive institutions.

26. Furthermore, the pandemic has shown that telecommuting is here to stay. COVID-19 has accelerated the adoption of fully digitized approaches to capture the best elements of in-person learning by use of such modalities as e-learning, live video and social sharing. This transformation makes it possible to scale learning efforts in a more cost-effective way and permits greater personalization for learners – and in turn ensures more effective and fuller participation for women, who are thus freed of physical learning constraints. The crisis has accelerated the levels of digitalization, to reduce avoidable physical interactions. In response to this shift, ECA and its partners are adapting their capacity-building services to meet the increased needs of ECA member States for assistance and support.

27. In this regard and with a view to harnessing the digital training opportunities, ECA and its partners have organized a total of 40 training and capacity-building initiatives designed to strengthen the capacity of member States to build resilient economies in support of the implementation of the 2030 Agenda and Agenda 2063.

28. Overall, 2,573 participants (including 828 women) have been trained in such fields as the use of macroeconomic models for policy analysis; mainstreaming the ECA-led integrated planning and reporting tool into their national development plans; regional integration; social development; and integrated natural resource management. In parallel, the African Union has also launched various training courses on regional projects, such as the African Continental Free Trade Area, in partnership with ECA. The African Union Development Agency and the African Peer Review Mechanism have also developed various online training tools, including the Agenda 2063 dashboard and a virtual training module on South-South cooperation and implementation of the 2030 Agenda and Agenda 2063.

C. Gaps, constraints and emerging issues

1. Finance

29. The COVID-19 pandemic risks creating major setbacks in financing for sustainable development in Africa, as it has increased financial pressures on the inflow into Africa of domestic and external resources, which were already insufficient to achieve the Sustainable Development Goals. Additional pressures on African countries' public budgets, debt sustainability and external financial inflows (in the form of FDI, remittances and ODA) due to COVID-19 could dramatically widen the continent's financing gap, initially estimated at \$1.3 trillion per year and expected to

reach \$19.5 trillion by 2030 as a consequence, among other factors, of the growth in its population, which is projected to increase by 45 per cent over 2020–2030.

30. Despite steady tax revenue-to-GDP ratios prior to the pandemic, domestic resource mobilization in Africa continues to suffer as a result of contracted economic activities, narrowed fiscal space and the need for increasing domestic expenditure to ensure an adequate health response and economic recovery. The fall in revenue, combined with an expected increase in expenditures, will continue to affect the continent's average fiscal deficit, expected to reach 5 per cent in 2021.

31. The pandemic has also further worsened the debt situation of many African countries, which was already high before the crisis, leading to high risks of debt distress. The average debt-to-GDP ratio in Africa is projected to be 66 per cent in 2021, 19 percentage points higher than the 2010–2019 average.

2. Technology

32. Another key challenge is posed by the low absorptive capacity in Africa for technology. For example, Africa accounts for a mere 0.3 per cent of the global \$2.3 trillion of high-tech exports, despite constituting 2 per cent of the world's researchers. Similarly, Africa accounts for about 1 per cent of the global digital economy, despite being home to 11 per cent of the world's Internet users, suggesting that Africa is on the periphery of the digital economy and global research and development. The COVID-19 pandemic led to the closure of many research institutions, universities and firms. Most research and development institutions require a physical presence, especially in the absence of virtual facilities to perform research remotely.

33. COVID-19 has shown that Africa's over-dependence on external partners for knowledge and technology-intensive products is neither sustainable nor realistic. For instance, travel restrictions and health concerns have negatively affected the inflow of funding for research and development and the exchange of students, researchers and expertise.

3. Trade

34. Reducing trade costs, in particular non-tariff barriers, has the potential to significantly increase the expected gains from the African Continental Free Trade Area and to promote industrialization through trade.¹² The Trade Facilitation Agreement and its measures, in conjunction with the full operationalization of the African Continental Free Trade Area, could indeed improve income distribution, reduce poverty, enhance industrial capacity and lessen the dependence of Africa on imports through the establishment of a single market for African goods and services.

35. While the pro-industrialization effect of trade is not in dispute, tariff revenues in Africa could be adversely affected by tariff liberalization measures resulting from operationalization of the Free Trade Area. Some countries will be more affected than others, without significantly weakening the overall welfare of the continent, given the positive trade creation effect. Against this backdrop, the African Export-Import Bank (Afreximbank) has established an adjustment facility to mitigate any possible adjustment costs of the implementation of the Agreement Establishing the African Continental Free Trade Area, including tariff revenue losses. A total of \$8 billion has been secured for the adjustment facility to assist African countries in domestic resource mobilization by implementing adjustments to compensate for tariff revenue losses on fiscal revenues.

36. Intellectual property rights are playing a critical role in the development of the pharmaceutical sector and local vaccine production in Africa. Access to intermediate goods remains central to efforts to support such industries in building longer-term capacity. It is crucial that trade-distorting measures, such as subsidies, should be

¹² On this issue, see Economic Commission for Africa, African Union and African Development Bank, *Assessing Regional Integration in Africa VIII: Bringing the Continental Free Trade Area About* (Addis Ababa, 2017). Available at www.uneca.org/sites/default/files/fullpublicationfiles/aria8_eng_fin.pdf.

addressed, to ensure the longer-term sustainability of market opportunities from the blue economy and also to secure policy space to address post-pandemic challenges to financing for the development of Africa and for its food security.

37. Efforts to develop regional value chains and address tariff escalation, of commodities in particular, are critical to supporting economic diversification and mainstreaming trade as a key driver of economic development. This is also linked with the contribution of trade to poverty reduction and the attainment of the Sustainable Development Goals.

4. Data and statistics

38. African countries are producing more and more reliable data, to enable accurate formulation and reporting for public policy. As of June 2021, data availability for countries on the continent ranged between 107 and 184 indicators in 2021, compared to between 103 and 177 in 2020. The pandemic heavily affected data collection and statistical operations during 2020, with the reallocation of funding to health sector priorities. In 2021, most statistical activities have resumed, including the conduct of population and housing censuses.

39. In 2019, statistical operations were fully funded in only 10 countries, compared to 9 in 2020, raising questions about the financial capabilities of African national statistical offices. While the full impact of the pandemic on birth registration is yet to be known, severe disruptions were noted across the continent and these could reverse the gains of recent years.

40. Concomitantly, coordination in the statistical sector remains low in Africa, despite recent progress. Lack of coordination and alignment with country priorities is rendering efforts ineffective and limiting the impact of capacity-building activities.

5. Capacity-building

41. Despite sustained efforts, African countries continue to face capacity challenges in aligning their national development plans with the 2030 Agenda and Agenda 2063. Capacity-building challenges vary across sectors and countries. Most capacity support remains fragmented, is not founded on adequate needs assessments and does not include the appropriate sequencing of measures aimed at institutional or organizational change and individual skill-building.

42. Digital learning has expanded access to capacity development activities, including to new and more diverse target populations. Beyond the digital divide, this option remains constrained by other challenges. The difficulty of replicating in-person activities in a remote setting and screen fatigue can be detrimental to learning. Remote sessions may lack focus on the practical skills and work-readiness required for specialized training and cannot provide the site visits necessary to observe good practices and problem areas.

D. Partnerships, opportunities and transformative actions

1. Finance

43. Endeavours to counter COVID-19 and build forward better hinge on the ability of countries to mobilize resources to support productive sectors of the economy. To boost liquidity, fiscal space must be upgraded to support the private sector while generating the necessary public resources. To address this challenge, the World Bank and the International Monetary Fund (IMF) urged the countries of the Group of 20 to establish the Debt Service Suspension Initiative to support countries eligible for such debt relief. A common framework for debt treatments beyond the Debt Service Suspension Initiative was established by the Group of 20 to address the problem of unsustainable debts faced by many countries as a result of the COVID-19 pandemic. The framework aims to facilitate timely and orderly debt treatment and restructuring for countries eligible for debt service suspension with broad participation by creditors,

including the private sector. The recent issuance by IMF of a new allocation of \$650 billion in special drawing rights to boost reserves and support the global recovery from COVID-19 is expected to create unconditional liquidity through general allocations of such rights to eligible States in proportion to their quotas in IMF.

44. African countries have been part of the global recovery campaign, benefiting from a number of emergency financing instruments. Under the aforementioned Debt Services Suspension Initiative, 24 African countries benefited to the tune of more than \$4.3 billion in 2020, with 25 countries potentially saving \$3.9 billion from the extension to the end of June 2021. More countries are expected to benefit from the initiative, which was further extended to December 2021. Some countries have applied to the common framework for debt treatments of the Group of 20, in order to deal with their high debt burden. Furthermore, of all the regions, Africa is the one which makes the most extensive use of the Poverty Reduction and Growth Trust.

45. While multilateral financing and the Debt Services Suspension Initiative have been helpful, they remain inadequate for the financing needs of African economies. Thus, the issuance of \$650 billion in special drawing rights may be an important measure, but it disproportionately benefits developed countries, which need such rights the least. With a special drawing right utilization rate of some 52 per cent, Africa will only receive about \$33 billion (some 5 per cent) worth of such rights, while developed countries with a utilization rate of less than 10 per cent will receive around \$418 billion (64 per cent).

46. As part of its domestic resource mobilization strategy, Africa is engaged in a number of regional and global initiatives, including curbing the illicit losses of financial resources through institutional reforms and capacity-building, and the current discussions on a global minimum tax. The momentum on curbing illicit financial flows is driven by alarming evidence that Africa loses around \$88.6 billion per year through such flows,¹³ depriving countries of domestic financial resources for sustainable development. Illicit financial flows undermine the rule of law, worsen macroeconomic conditions and reduce the benefits of economic activity.

47. Financial leakages through illicit financial flows are depriving African countries of the liquidity for development financing. Curbing these flows and returning stolen assets to Africa would significantly boost liquidity on the continent. Under the Secretary-General's initiative on financing for sustainable development beyond COVID-19, ECA is working to identify strategic actions for increasing the fiscal space of member States by curbing illicit financial flows. The Commission has also embarked on a process of building the capacity of member States to collect relevant statistics and measure the trends in illicit financial flows in its member States, to provide evidence-based measures for curbing such flows and expanding the fiscal space of member States.

2. Technology

48. Technology should be considered a global public good, in particular in the face of a pandemic. The current environment has opened unprecedented opportunities for partnership, technology-based learning and policy experimentation. Firms and institutions are seeking partners to undertake research and development (such as clinical trials), offering services on a non-commercial basis to save lives and livelihoods. The world is more open than ever before to fostering science and innovation. Africa's partners should step up their efforts to bridge the technological divide so that Africa can expeditiously acquire new technologies and industrial practices that were previously beyond its reach.

49. Africa, home to 33 of the 46 countries in the United Nations least developed country category, should also benefit from the full operationalization of the Technology Bank for the Least Developed Countries. Representing attainment of one

¹³ United Nations Conference on Trade and Development, *Economic Development in Africa Report 2020: Tackling Illicit Financial Flows for Sustainable Development in Africa* (Geneva, 2020).

of the targets of the 2030 Agenda, the Turkey-based Technology Bank offers, among other services, technology brokering and transfer support to least developed countries.

3. Trade

50. Economic and social gains will not flow automatically from the African Continental Free Trade Area. The development of a national implementation strategy for the Area, with the engagement of all stakeholders and with clear action plans and road maps to make the best of the associated reforms, is a prerequisite.¹⁴

51. Establishing regulatory frameworks will be key to the development of vibrant e-commerce and digital trade in Africa. Accordingly, supportive laws for digital trade that integrate aspects of the broader economy, including investment, the banking system, telecommunications and postal services, should be enforced. African governments should fast-track the drafting and enactment of data protection laws, which are crucial to the protection of the processing and movement of personal data. They should consider signing and ratifying international treaties relevant to digital trade, such as treaties of the World Intellectual Property Organization, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the United Nations Convention on Contracts for the International Sale of Goods and others.

52. In addition, African countries should ensure the impartiality and validity of cross-border electronic contracts and strengthen the domestic regulatory framework for digital trade and e-commerce. Governments could also harmonize regulations regionally and continentally through the African Continental Free Trade Area, including in the areas of taxation, consumer protection and data standards.

53. In sum, trade has the potential to support inclusive green growth and drive the transition to an inclusive green and blue economy, building on low-carbon and resource-efficient production patterns.

4. Data and statistics

54. Technology played a critical role in the conduct of the 2020 population and housing censuses in Africa. To that end, ECA developed a set of tools to assist member States in managing the use of electronic tablets for the enumeration and real-time monitoring of census data, and to ensure that critical issues are mitigated in a timely fashion.

55. The COVID-19 pandemic has prompted the African community to accelerate the establishment of an African group on the transformation and modernization of official statistics. The global statistical community has recognized that producers of official statistics need to transform and modernize in order to respond in an adequate manner to all data demands arising from the 2030 Agenda, Agenda 2063, subregional and national development plans, and other agendas and frameworks. The African group on the transformation and modernization of official statistics was created by the Statistical Commission for Africa in 2020 for the strategic guidance and coordination of work to transform and upgrade national statistical systems in Africa.

56. The revision of statistical acts will make it possible to strengthen the statistical environment and enhance cooperation, dialogue, financing and partnerships for the production and use of official statistics. To that effect, African Statistics Day was celebrated in 2021 all over Africa not only to raise awareness of the importance of statistics but also to engage all stakeholders in the modernization and transformation of national statistical systems. The theme of Africa Statistics Day in 2021 was:

¹⁴ ECA has developed and is currently piloting a country business index which, once operational, will serve as a tool for listening to businesses about the constraints that they face on the ground and thereby better identifying challenges that countries must urgently tackle to improve the business environment in the context of the African Continental Free Trade Area.

“Modernizing national statistical systems to support sociocultural development in Africa”.

5. Capacity-building

57. The disruptive impact of COVID-19 on the economic well-being of African Member States of the United Nations highlights the importance of investment in capacity-building for the achievement of the Sustainable Development Goals. Africa needs to build forward better by investing in training, statistical and trade capacity to inform policy implementation in achieving the Sustainable Development Goals in the aftermath of the COVID-19 pandemic.

58. The COVID-19 pandemic has shone an even brighter light on fundamental data gaps in Africa, relating in particular to health and civil registration. Poor data coverage of health facilities and health outcomes on the continent is negatively affecting the crucial and timely production of statistics during health emergencies, rendering response and recovery efforts even more difficult.

59. The African Continental Free Trade Area offers numerous opportunities but will not take off unless the continent’s implementation and analytical capacities are enhanced at the national and regional levels, with the involvement of the private sector. Cross-cutting capacity issues associated with such factors as the effectiveness of national entities; the implementation of policies; research, knowledge-sharing and monitoring and evaluation; the diversity of integration levels; and financing need to be considered.

60. Domestic resource mobilization, private sector engagement and South–South, North–South and triangular cooperation should be promoted in order to mobilize the investments required to train a critical mass of skilled individuals.

E. Key messages

61. The following recommendations are put forward with the aim of safeguarding African countries from rolling back on their Sustainable Development Goal-related achievements to date, hence enabling them to build forward to meet and exceed their pre-pandemic achievements:

(a) Access by Africa to concessionary financing (special drawing rights) and to a liquidity and sustainability facility must be strengthened by the international community to reduce borrowing costs and liquidity constraints;

(b) Member States should promote appropriate and innovative tools and frameworks, including integrated national financing frameworks, for greater efficiency and efficacy in resources management and the allocation of financing for the Sustainable Development Goals;

(c) Member States should strengthen domestic resource mobilization by accelerating digitalization and closing loopholes in tax policy and administration, combating illicit financial flows and formulating governance and inclusive policies aimed at enhancing accountability, transparency, combating corruption, supporting participation and setting in place enabling legal and judicial regulatory frameworks;

(d) ECA, the African Development Bank, the African Union Commission and their partners should support member States in developing and adopting clear policies on emerging bioscientific, digital, renewable energy and advance material (nano) technologies to build the sound scientific, technological and industrial base needed to achieve the Sustainable Development Goals by 2030;

(e) Member States must urgently innovate, modernize and transform their national statistical systems, thereby augmenting their resilience to possible future shocks and facilitating the production of data and preparation of reports on the development agendas;

(f) ECA, the African Development Bank, the African Union Commission and their partners should support African countries in building their capacity for early warning, risk reduction and the management of national and global health risks;

(g) Member States and regional economic communities must ensure and strengthen the impartiality and validity of cross-border electronic contracts and domestic regulatory frameworks for digital trade and e-commerce.
