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Social dimensions of the New Partnership for Africa's Development

Report of the Secretary-General

Summary

The present report has been prepared in accordance with Economic and Social Council resolution 2014/4. The report addresses the progress made in implementing the priority areas of the New Partnership for Africa's Development, in addition to the stark gaps that remain in some areas. In particular, it highlights progress made in eradicating poverty and hunger, creating jobs, improving education and health outcomes, promoting gender equality, boosting agricultural productivity, investing in infrastructure, improving governance and mobilizing resources for inclusive development. Policies to promote economic transformation are also discussed.



I. Introduction

1. The New Partnership for Africa's Development (NEPAD) reflects Africa's commonly defined political, social and economic future. It is anchored in the priority areas of agriculture and food security, climate change and national resource management, regional integration and infrastructure, human development and economic and corporate governance and identifies regional integration as critical to the successful transformation of the continent. It presents the cross-cutting issues of gender empowerment, capacity development, the forging of partnerships with the private sector and the uptake of information and communication technologies as enablers of Africa's transformation.

2. The African Union's Agenda 2063 and the African Common Position on the post-2015 development agenda spell out aspirations for an even more robust development agenda for Africa. Agenda 2063 seeks to build on Africa's achievements to date and to address new and persistent challenges. It represents a new phase in which Africans will take ownership and further catalyse their development aspirations, ensuring in particular that Africa's development efforts are people-centred and sustainable and that they result in a prosperous, integrated and united Africa. The African Common Position represents the aspirations of the African people and their contribution to the global debate on the formulation of the post-2015 development agenda.

3. Since the adoption of NEPAD, Africa has continued to post solid social and economic gains. Sustained growth has led to a rise in the continent's middle class. Poverty levels are declining and education, health and gender outcomes are improving. Economic stability has also seen a record inflow of investment capital into the continent, estimated at \$80 billion in 2014 alone. Impressive strides have been made in improving access to and the quality of public services, including clean drinking water and sanitation. Investments in infrastructure have been scaled up significantly and the quality and effectiveness of national and subregional institutions are improving. Greater efforts are also being made to promote policies that foster industrialization and the structural transformation of economies that leads to job creation and poverty eradication.

4. These gains have occurred amidst a decade of strong economic growth in many of the region's countries. While global economic recovery remains fragile and uneven, Africa's economy is expected to grow by 3.4 per cent in 2014 and 4.6 per cent in 2015, with more than two thirds of the countries in the region posting uninterrupted growth for more than a decade.¹ This growth has been underpinned by strong external demand for commodities, a supportive domestic macroeconomic policy environment, higher domestic consumption, a favourable external environment and strong growth in public and private investment in infrastructure, natural resources, agriculture and services.

5. As welcome as this recent progress is, important challenges remain. Of great concern is the persistence of high levels of poverty. Shocks from global financial and economic crises, food and energy price volatility, disease epidemics, environmental disasters and emerging governance, peace and security issues such as terrorism and trafficking in humans, weapons and drugs have exacerbated inequalities, vulnerabilities and exclusion.

¹ See *World Economic Situation and Prospects 2014* (United Nations publication, Sales No. E.14.II.C.2).

II. Africa's achievements in social development

A. Poverty eradication

6. Robust and growing economies have raised expectations that growth, if made inclusive and equitable, will result in tangible improvements in living standards and social development indicators across the continent. Despite having 11 of the top 20 fastest-growing economies in the world, African countries still have much more to do to achieve broadly shared prosperity and to reduce poverty and inequality. New estimates of global poverty released in October 2014 by the World Bank for the reference year 2011 indicate that about 39.6 per cent of Africa's population (437.1 million people) lived on less than \$1.25 a day compared with 46.6 per cent (295.8 million people) in 1990. These trends indicate that, despite a collective effort, Africa will not halve the proportion of people living in extreme poverty by 2015.

7. At the subregional level, the situation shifts slightly. North Africa managed to halve the proportion of people living in extreme poverty from 11.7 per cent in 1990 to 4.4 per cent in 2011, although more people were living in poverty in 2011 (18.6 million) than in 1990 (7.02 million) partly owing to population growth. In sub-Saharan Africa, progress has been slower. About 47 per cent (415.4 million people) lived on less than \$1.25 a day in 2011 compared with 48.2 per cent (413.7 million people) in 2010 and 56.6 per cent (289.7 million people) in 1990. The share of population in sub-Saharan Africa living below \$1.25 a day is projected to drop to 40.9 per cent in 2015 and 34.2 per cent in 2020.² Africa's least developed countries have the highest incidence of poverty, with 50.3 per cent of their population living below \$1.25 a day in 2011.

8. At the country level, progress has also been mixed. Between 1990 and 2011, poverty levels rose in 11 countries³ and declined in 36 others. Among the countries experiencing a decline, 13 have met the Millennium Development Goal of halving the proportion of the population living on less than \$1.25 a day. These are Algeria, Botswana, Djibouti, Egypt, Ghana, Guinea, Mauritania, Morocco, Namibia, South Africa, the Sudan, Swaziland and Tunisia.

9. The mixed impact of growth on poverty is also evident. While Angola, the Democratic Republic of the Congo, Ethiopia, Ghana, Liberia and Mozambique were among the 10 fastest-growing economies in the world, their combined poverty headcount increased from 62.3 per cent in 1990 to 63.4 per cent in 2002 and then declined to 51.1 per cent in 2011. In absolute terms, the number of poor in those countries increased from 77 million in 1990 to 111.9 million in 2002 and 116 million in 2011. Among those, only Ghana has successfully cut the poverty rate by more than half, moving from 50.5 per cent in 1990 to 18 per cent in 2011. Poverty has also worsened in other fast-growing economies. The poverty headcount in Zambia increased from 60.3 per cent in 1990 to 73.2 per cent in 2011. In Liberia, it jumped from 68.5 per cent to 70.2 per cent and in the Democratic Republic of the Congo, from 56.3 per cent to 84 per cent. In Africa's largest economy, Nigeria, the

² See World Bank Group, *Global Monitoring Report 2014/2015: Ending Poverty and Sharing Prosperity* (Washington, D.C., World Bank, 2014).

³ Comoros, Democratic Republic of the Congo, Côte d'Ivoire, Gabon, Guinea-Bissau, Kenya, Madagascar, Nigeria, Sao Tome and Principe, Togo and Zambia.

poverty headcount has not changed. The headcount was 60.4 per cent in 1990 and 60.1 per cent in 2011, with the number of poor increasing from 55.1 million in 1990 to 98.6 million in 2011. The experience of fast-growing but less resource-rich Ethiopia also reflects the likely impact of agriculture-led growth. Ethiopia significantly reduced poverty levels from 62.1 per cent in 1990 to 36.8 per cent in 2011.

10. Cross-country differences in the pace of economic growth account not only for the mixed success in reducing poverty in Africa, but also the quality or inclusiveness of that growth. In particular, growth has not created productive jobs at a pace that is sufficient to accommodate a growing population. Africa's poor and disadvantaged social groups have also had limited or inadequate access to high-quality education, health care and productive assets such as land and credit. This has worsened inequality and social exclusion and undermined productivity gains in smallholder agriculture. In resource-rich countries, growth has been driven primarily by the export of commodities, which has not led to industrialization and shared prosperity. Furthermore, the social and macroeconomic policies pursued in some countries have not sufficiently addressed the job content or distributional consequences of growth, contributing to high levels of employment vulnerability and informality.

11. In order for African countries to significantly reduce poverty levels, they must have sustained economic growth accompanied by structural economic transformation. This will result in a significant reallocation of labour from low-productivity sectors such as agriculture and the informal sector to manufacturing and service sectors. In addition, deliberate and effective public policies are required to promote patterns of growth that provide equality of opportunity to disadvantaged groups and address distributional issues. National policies should reflect a clear understanding of the non-income aspects of poverty and a nuanced understanding of who the poor are, where they live and how they can be reached, and of the structural barriers that make it difficult to escape poverty. Furthermore, national policies should reflect an understanding of how market failures such as the global economic, food and energy crises and climate change affect people living in poverty and other disadvantaged social groups. Policies that are informed by such insights can enhance the impact of growth on poverty reduction.

12. Estimates by the World Bank offer hope that sub-Saharan Africa can reduce its poverty headcount to 19.2 per cent, or 202.5 million people, by 2030 if each country maintains a per capita annual growth of 4 per cent and maintains its current income distribution. Under this scenario, only Burundi, the Democratic Republic of the Congo, Madagascar, Malawi and Zambia are expected to have poverty rates exceeding 30 per cent by 2030. Efforts to reduce poverty in the near future could be upended by a myriad of major uncertainties, including global economic recessions, energy and food price shocks, climate change, political instability and conflicts, and major disease outbreaks.⁴ Of particular concern is the impact of climate change on broad-based development. A large majority of Africa's population relies heavily on climate-sensitive sectors such as agriculture, fisheries and tourism for their livelihoods.

⁴ See World Bank, *Policy Research Report: A Measured Approach to Ending Poverty and Boosting Shared Prosperity: Concepts, Data, and the Twin Goals* (Washington, D.C., 2014).

B. Boosting agricultural productivity

13. The number of hungry people in Africa increased from 217 million in the period 2008-2010 to 227 million in 2012-2014, a time period when the number of undernourished people in the world declined from 840 million to 805 million.⁵ Sub-Saharan Africa has become home to more than a quarter of the world's undernourished people. The situation in North Africa remains positive, since the subregion has been able to maintain the prevalence of hunger at less than 5 per cent. The number of food-insecure people in the Sahel region has also risen, from 11.3 million in 2013 to 20 million in 2014. This increase is being driven by the deterioration in the food security situation in northern Nigeria, northern Cameroon and Senegal. These three countries alone represent over 40 per cent of the overall caseload. A further deterioration in the situation in the Niger will see almost 1 million more people join the ranks of the food insecure in 2014 compared with 2013. Malnutrition rates remain largely unchanged across the region, with the exception of Burkina Faso, where the number of food insecure and acutely malnourished has dropped significantly.⁶

14. Improving food and nutrition security is one of the major objectives of NEPAD. Agriculture is Africa's most important sector in terms of its potential impact on poverty eradication, owing to the size of its contribution to the gross domestic product (GDP) and the number of people who depend on it. Estimates for the period 2003-2015 indicate that, owing to agriculture-led industrialization, a 1 per cent annual increase in Ethiopia's per capita GDP driven by agricultural growth reduces the poverty headcount rate by 1.7 per cent per year and, in the case of Ghana, by 1.8 per cent per year.⁷ In addition to its direct impact on improving food security, raising incomes and reducing poverty, agriculture also employs close to 60 per cent of Africa's population. In terms of its overall impact on growth, agriculture alone accounts for 30 per cent of the continent's GDP and 50 per cent of its total exports. At the country level, the contribution of agriculture to GDP in 2012 ranged from highs of 57 per cent in Sierra Leone and 56 per cent in Chad to lows of 3 per cent in South Africa and 2 per cent in the Seychelles.⁸

15. Despite the overwhelming importance and potential of agriculture, data on agricultural expenditures indicate the continued long-term underinvestment in this sector. Since 2003, 13 countries have reached or surpassed the target of allocating at least 10 per cent of national budgetary resources to agriculture in one or more years. An additional 13 countries have spent 5 to 10 per cent of their budgets on agriculture. These trends severely undercut Africa's efforts to feed itself and eradicate poverty and to become a major exporter of agricultural commodities to the rest of the world. Today, Africa is a net food importer. The consequences stemming from the neglect of agriculture have combined with population growth and a rising middle class to further increase Africa's food import bill. The Food and Agriculture

⁵ See Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development and World Food Programme, *The State of Food Insecurity in the World: strengthening the enabling environment for food security and nutrition* (Rome, Food and Agriculture Organization of the United Nations, 2014).

⁶ See https://docs.unocha.org/sites/dms/CAP/SRP_2014-2016_Sahel.pdf.

⁷ See X. Diao, P. Hazell and J. Thurlow, "The role of agriculture in African development", *World Development* No. 38(10) (Elsevier, 2010).

⁸ See World Bank, *World Development Indicators 2014* (Washington, D.C., 2014).

Organization of the United Nations (FAO) estimates that over the past 20 years, Africa's food import bill increased from \$7.5 billion to over \$44 billion dollars per year.⁹

16. The transformation of Africa's agricultural sector thus remains a top priority of African leaders. African Heads of State declared 2014 the Year of Agriculture and Food Security in Africa, marking the tenth anniversary of the adoption of the Comprehensive Africa Agriculture Development Programme. According to the NEPAD Planning and Coordinating Agency, since the establishment of the Programme, agricultural production in Africa has increased by more than 10 per cent per annum on average, compared with less than 2 per cent per annum during the decade prior to the initiation of the Programme. Since 2003, the annual agricultural GDP growth rate has averaged nearly 4 per cent, well above the growth rates for the previous decades.

17. African countries cannot separate a broad-based transformation of the agricultural sector from the successful transformation of their economies. The two are interlinked, providing immense opportunities for the development of critical backward and forward linkages within national and subregional economies. Improved prospects for job creation and higher wages for Africa's disadvantaged social groups lie in the resultant local agro-processing and food service industries, marketing and logistics. To drive local processing and value addition, countries need to boost agricultural productivity and improve infrastructure linking producers to markets. They also need to attract private investments to locally process agricultural commodities such as cashew nuts, cocoa seeds, cassava and rice. Increasing demand for locally processed agricultural commodities will require improved standards and the provision of critical disease and pest management support to farmers by government agencies. North-South cooperation, such as the partnership among African countries, the United States Agency for International Development and Partners in Food Solutions, can also benefit local processing and improve food security through the transfer of technical and business expertise to African food processors and farmers. South-South cooperation can also provide new opportunities for mutual learning in agriculture, in addition to the transfer of new technologies, by focusing on economic cooperation, agribusiness, family farming, scientific research and innovation.

18. African Union Heads of State and Government underscored the above at the twenty-third ordinary session of the African Union, held in Malabo in June 2014. At the session, which focused on agriculture and food security, the Heads of State reaffirmed the importance of prioritizing the eradication of poverty and hunger, developing dynamic agricultural markets, scaling up the adoption of agricultural science and technology and ensuring that Africa will once again become a net exporter of agriculture and food products.

19. To sustain the success of the Comprehensive Africa Agriculture Development Programme, greater efforts are required to improve access to land, credit, seeds and fertilizers by all farmers, including women. Governments also need to improve the provision of agricultural support services in a timely manner; enhance their engagement with farmers' organizations, including agricultural cooperatives, in the formulation of inclusive agricultural policies; promote agricultural technologies;

⁹ See www.fao.org/about/who-we-are/director-gen/faodg-statements/detail/en/c/237214/.

and firmly establish policies on intra-African trade in agriculture products. The efforts made by a growing number of African countries in those areas are particularly welcome. In 2012, Nigeria launched the Agricultural Transformation Agenda to ensure that the agricultural sector becomes an engine for job and wealth creation while ensuring food and nutrition security. The Government also launched the “electronic wallet system”, which allows farmers to receive subsidized farm input vouchers through mobile phones. Ethiopia has partnered with the United States Agency for International Development and DuPont to implement a \$90 million project to distribute corn seeds to 35,000 farmers and help them to increase production.

C. Employment creation

20. Despite Africa’s strong economic performance over the past decade, prospects for sustained job growth remain weak. The total unemployment rate in sub-Saharan Africa has slightly declined, from 7.7 per cent in 2009 to 7.6 per cent in 2014, and is projected to marginally decline to 7.5 per cent in 2015. The share of vulnerable employment in total employment also remains very high. In 2013, the vulnerable unemployment rate stood at 77.4 per cent.¹⁰ Among men, the unemployment rate declined from 7.1 per cent in 2009 to 6.9 per cent in 2014 and is projected to further decline to 6.8 per cent in 2015. There were no improvements in unemployment levels among women. In both 2009 and 2014, the rate was 8.4 per cent and is projected to stay at that level in 2015. Youth unemployment levels also remain elevated despite the fact that an estimated 11 million young people are expected to join the job market every year for the next decade in sub-Saharan Africa alone. In addition to these unemployment challenges, many countries also continue to see declines in the labour income share, which is worsening wage and income inequality within countries.

21. In the Middle East and North Africa, the total unemployment rate increased from 10.4 per cent in 2009 to 11.5 per cent in 2014. The rate will remain unchanged in 2015. When disaggregated by sex, the rate among men increased from 8.2 to 9.0 per cent between 2009 and 2014 and is projected to marginally decline to 8.9 per cent in 2015. Extremely high structural unemployment continues to exist among women and young people. Among women, the rate jumped from 18.9 per cent in 2009 to 21.1 per cent in 2014 and is expected to remain the same in 2015. The youth unemployment rate remains the highest in the world, having increased from 23.8 per cent in 2009 to 28.6 per cent in 2014, and is expected to inch up to 28.8 per cent in 2015. In North Africa alone, the youth unemployment rate was more than 29 per cent in 2013, making youth unemployment one of the subregion’s major socioeconomic challenges.¹⁰

22. To address the unemployment crisis, national and continental efforts have been made to place job creation at the centre of inclusive development plans. In 2004, African leaders adopted the Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation, the goals of which were reiterated in Agenda 2063. There is heightened political recognition that sources of employment that generate growth can be increased through the implementation of

¹⁰ See International Labour Organization, *Global Employment Trends 2014: Risk of a jobless recovery?* (International Labour Office, Geneva, 2014).

Africa's identified priorities, programmes and projects. Countries also recognize that while strong economic growth is necessary for strong job creation, it is insufficient. More and better jobs require concerted efforts to diversify economies. This will add value to primary commodities and reduce employment informality.

23. The imperative for industrialization is thus a key objective of NEPAD and Agenda 2063. Support for making economic transformation the consensus paradigm for Africa's development has been exhibited at the highest political levels. In 2008, Africa's political leadership adopted the Action Plan for the Accelerated Industrial Development of Africa. There is strong consensus among the African Union, the Economic Commission for Africa (ECA) and the African Development Bank that in order for Africa to boost growth, share in the benefits of globalization, raise living standards, create jobs and achieve the Millennium Development Goals, the continent has to rapidly industrialize.

24. The political will to promote inclusive and transformative development was further underscored at the 34th ordinary meeting of the Summit of the Heads of State and Government of the Southern African Development Community, held in Victoria Falls, Zimbabwe, and the 2013¹¹ and 2014¹² joint annual meetings of the African Union Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development. Leaders emerged from those meetings with a shared conviction that industrialization is one of the most viable paths to employment-generating growth and development and a core prerequisite for the structural transformation of Africa's economy.

25. The twin tasks of promoting sustained and fully inclusive growth and creating good jobs thus cannot be separated from Africa's structural transformation. Both tasks can be achieved through the deliberate implementation of coordinated, integrated and mutually reinforcing macroeconomic, social, trade, investment and labour market policies. Equally important are policy measures that enhance equality of opportunity for women, young people, persons with disabilities, older persons and other social groups that disproportionately bear the burden of exclusion and vulnerability in the labour market. Public-private partnerships and visionary leadership are also required, while a strong State role is needed to create an enabling environment. This includes providing access to energy, building roads, ports, schools and hospitals and maintaining peace and security. Improvements in these areas can attract private sector investment in the industrialization of Africa, resulting in more diversified economies, technological upgrades that increase productivity, competitive exports, and improved human well-being.

D. Education outcomes

26. Progress has been made across Africa in increasing the enrolment of children in school. Gender disparities persist, however, in school completion, learning outcomes and secondary and tertiary education in many countries. In sub-Saharan Africa, net enrolment rates increased from 52 per cent in 1990 to 60 per cent in 2000 and 78 per cent in 2012. The number of children enrolled in primary school more than doubled between 1990 and 2012, from 62 million to 149 million. Gains in

¹¹ See www.uneca.org/sites/default/files/document_files/ministerial-statement_0.pdf.

¹² See www.uneca.org/sites/default/files/uploaded-documents/COM/com2014/ministerial_statement.pdf.

education could have been greater if drop-out rates had been lower; only three out of five pupils complete primary school. North Africa, in contrast, has almost achieved universal primary education, with a net enrolment rate of 99 per cent in 2012 compared with 90 per cent in 2000.

27. Population growth increased the primary school-age population by 35 per cent in 2012. An estimated 33 million children of primary school age, 56 per cent of whom were girls, were not in school in 2012. Significant proportions of those children come from disadvantaged backgrounds, have disabilities or live in conflict-affected countries.

28. While a good primary education provides basic literacy and numeracy, these basic and fundamental skills are not sufficient to foster the economic transformation of Africa. Many countries face a significant skills shortage in sectors that are critical to national development efforts, including extractive industries, infrastructure construction, information and communications technologies, health, higher education and agriculture. Because they have a less skilled labour force, countries have continued to export unprocessed commodities. This suggests that few higher-paying jobs are being created on the continent. Long-term solutions to Africa's myriad development challenges require investments that improve the quality of education beyond the primary level, starting from early childhood to secondary and tertiary education, including technical and vocational training. This will upgrade labour skills and strengthen national research and development capacities.

29. High-quality tertiary and higher education, from the humanities and social sciences to sciences, technology, engineering and mathematics, is critical to producing a highly skilled workforce capable of finding sustainable local solutions to Africa's challenges. While expanding access to primary education constitutes an important building block of opportunity, inadequate investment in expanding higher education institutions continues to undermine the competitiveness of African economies. Investments in the quantity and quality of primary and higher education are complementary.

30. To address the neglect in this area, NEPAD places a premium on investing at all educational levels, including higher education and science and technology. There is greater realization that investment in those fields is important for economies and for the enhancement of the capabilities of individuals. The persistence of high maternal and child mortality in several countries and the outbreak of Ebola in Guinea, Liberia and Sierra Leone further illustrate the devastating impact that shortages of trained health-care professionals and other experts can have on national economies.

31. African countries should prioritize closing the huge gap between the continent and other major regions in the research-to-population ratio. For example, Nigeria and Burkina Faso have 38 and 45 research and development specialists per million people, respectively. In Latin America, the ratio is about 481 per million and in East Asia, the ratio is 1,714 per million.¹³ To help close this gap, national strategies and international support are required to continue improving primary education and expand higher-level education. A notable example is the ongoing effort to implement the Africa Centres of Excellence project. The World Bank has made an

¹³ See www.worldbank.org/en/news/press-release/2014/04/15/world-bank-centers-excellence-science-technology-education-africa.

initial commitment of \$150 million to finance 19 university-based centres of excellence in Benin, Burkina Faso, Cameroon, Ghana, Nigeria, Senegal and Togo with the aim of equipping young people with new scientific and technical skills, particularly in advanced science, technology, engineering, mathematics, agriculture and health. Owing to the high demand for skills in those areas, the centres of excellence will contribute to the employability of young graduates.

E. Health outcomes

32. One of the key objectives of NEPAD is to reduce the burden of HIV/AIDS, tuberculosis, malaria and other communicable diseases. This entails making significant improvements to health-care systems, raising immunization rates and increasing the provision of affordable medicines. Countries continue to make progress in combating major diseases that account for large numbers of deaths each year. There have been significant improvements in child immunization rates, and the number of people receiving antiretroviral therapies. The number of child and maternal deaths and deaths owing to malaria and HIV/AIDS has also been reduced.

33. The past decade has seen marked declines in maternal and child mortality. In sub-Saharan Africa, maternal mortality declined at an annual rate of 3.6 per cent between 2005 and 2013 compared with an annual rate of 2.5 per cent between 1990 and 2005. Nonetheless, sub-Saharan Africa still has the highest maternal mortality ratio in the world. Between 1990 and 2013, the number of deaths each year from complications relating to pregnancy and childbirth declined from 990 to 510 deaths per 100,000 live births.¹⁴ At that pace, the continent falls far short of the Millennium Development Goal target of reducing the maternal mortality ratio by three quarters by 2015.

34. Child survival rates have also improved, with the risk of a child dying before age 5 in sub-Saharan Africa declining from 177 to 98 deaths per 1,000 live births between 1990 and 2012. Over the past two decades, the rate of decline in under-5 mortality accelerated from 0.6 per cent per year between 1990 and 1995 to 4.2 per cent between 2005 and 2012.¹⁵ In comparison, the rate of decline at the global level during those periods was 1.2 per cent and 3.8 per cent per year respectively. In terms of meeting the Millennium Development Goal target of reducing the under-5 mortality rate by two thirds, only three countries in the World Health Organization (WHO) African region¹⁶ have met the target. Six countries are on track to meet the target if they maintain the current rate of progress, while 21 are at least halfway and 16 are less than halfway.

35. During the period from 2000 to 2012, the malaria incidence rate and the malaria mortality rate in the WHO African region declined by 31 per cent and 49 per cent respectively. In 2012, however, the WHO African region still had the highest burden of malaria in the world, with 80 per cent of the estimated 207 million cases and 90 per cent of the estimated 627,000 malaria deaths worldwide.¹⁵ In terms of progress, malaria interventions averted an estimated 3 million deaths from malaria among children under age 5 living in sub-Saharan Africa between 2000 and 2012.¹⁴

¹⁴ United Nations, *The Millennium Development Goals Report 2014* (New York, 2014).

¹⁵ World Health Organization, *World Health Statistics 2014* (Geneva, 2014).

¹⁶ See <http://www.afro.who.int/en/countries.html>.

36. AIDS-related deaths and the number of people newly infected with HIV have also declined. In sub-Saharan Africa, the number of AIDS-related deaths fell by 39 per cent between 2005 and 2013, with an estimated 4.8 million deaths averted since 1995. The number of new HIV infections also declined by 33 per cent between 2005 and 2013.¹⁷

37. The success in reducing AIDS-related deaths and HIV prevalence is directly due to the scaled-up provision of antiretroviral therapy. Support provided through such partnerships as the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, and the United States President's Emergency Plan for AIDS Relief has been critical. Through these partnerships, antiretroviral therapies have been purchased and distributed to over 5.5 million people. Improved access to antiretroviral medicines for pregnant women living with HIV has resulted in some of the most dramatic reductions in new HIV infections among children. In Malawi, the infection rate among children has declined by 67 per cent. New infections among children have declined by at least 50 per cent in Botswana, Ethiopia, Ghana, Mozambique, Namibia, South Africa and Zimbabwe.¹⁷

38. Progress in reducing Africa's disease burden remains slow and fragile owing to inadequate health-care systems and a shortage of health technologies and interventions targeting diseases that predominately affect poor and disadvantaged populations. Lowering the disease burden also requires significant reductions in poverty and inequality, since most diseases are closely linked to deprivation. This includes poor nutrition, lack of access to clean drinking water and proper sanitation, and indoor pollution. Improving health outcomes also depends heavily on the size of public health financing commitments. Data on public health expenditures reveal that only 6 out of the 43 countries examined met the 2001 Abuja commitment to allocate 15 per cent of their national budgets to health care between 2010 and 2012.¹⁸

39. Africa's health gains remain fragile in the face of neglected tropical diseases. Of particular concern is the recent outbreak of Ebola virus disease in Guinea, Liberia and Sierra Leone. In addition to exerting a heavy human toll and fomenting the stigmatization and social exclusion of affected individuals and communities, the Ebola outbreak is having a major impact on social and economic progress in the affected countries.

40. FAO estimates that as at August 2014, approximately 1.3 million people were in need of food assistance in Guinea, Liberia and Sierra Leone. The restrictions on movement that were imposed in an effort to control the spread of the disease led to disruptions in labour supply, marketing activities and cross-border trade.¹⁹ Food insecurity is likely to intensify in the affected countries as a result of shortages, panic buying and speculation. The price of cassava, a staple food crop, increased 150 per cent in Monrovia in the first week of August. Similarly, the prices of such basic foods as fish, rice and palm oil have risen in Sierra Leone since fewer farmers and workers are available to harvest crops in the country's main agricultural region.

¹⁷ Joint United Nations Programme on HIV/AIDS, *The Gap Report* (Geneva, 2014).

¹⁸ World Health Organization, Global Health Expenditure Database, national health accounts indicators. Available from <http://apps.who.int/nha/database>.

¹⁹ Food and Agriculture Organization of the United Nations, "Grave food security concerns following the Ebola outbreak in Liberia, Sierra Leone and Guinea", Global Information and Early Warning System on Food and Agriculture, Special Alert, No. 333, 2 September 2014.

These developments have negatively affected households that were already vulnerable to food price shocks.

41. In 2013, before the Ebola outbreak, Sierra Leone ranked second and Liberia sixth among the top 10 countries with the highest growth in GDP in the world. There are concerns that the epidemic will scare away the significant foreign direct investment that existed before the outbreak in those countries. The World Bank estimates that the Ebola epidemic has already taken a disproportionate toll on economies in terms of foregone output, higher fiscal deficits, rising prices, lower real household incomes and increased poverty. Under the worst-case scenario, the World Bank forecasts that growth in Guinea will drop from 4.5 per cent to 2.4 per cent. In Liberia, growth is expected to decline from 5.9 per cent to 2.5 per cent and in Sierra Leone, from 11.3 per cent to 8.0 per cent.²⁰ Economic growth is expected to slow in those countries as sectors that are crucial to the economy and employment are disrupted owing to fear of contagion and not the disease itself.

42. Failure to contain the outbreak highlights the consequences of poor health-care systems, low human resource capacity, health inequities and the linkages between poverty and disease. Poor countries continue to face hurdles in accessing affordable drugs and the knowledge and technologies that already exist to respond to people's emerging health needs. Important lessons should be drawn from the successes of Nigeria and the Democratic Republic of the Congo in containing the spread of Ebola within their territories. In the Democratic Republic of the Congo, where the Ebola virus disease first emerged in human populations in the 1970s, each outbreak was characterized by a relatively low incidence of human-to-human transmission. Most of the outbreaks occurred in remote villages, making it easier to contain the outbreak. Using experience gained from managing previous outbreaks, health-care workers have been able to respond quickly and educate affected communities about how to control infection through behavioural change and modifications in customs. The country also has local expertise to handle Ebola virus disease outbreaks, including expertise in epidemiology, laboratory analysis and patient care.²¹ This is quite different from the situation in Guinea, Liberia and Sierra Leone, where knowledge of Ebola among health-care workers and the public was limited and population centres are more densely populated and highly connected, making it much easier for the disease to spread. In Nigeria, the leadership responded rapidly, declaring Ebola a health emergency and initiating contact tracing, treatment and media campaigns.

43. In the long run, combating neglected diseases requires the establishment of regional centres of excellence that focus on tropical diseases, health policy research and evidence-based implementation. Africa needs robust people-centred health-care systems.

²⁰ World Bank, "The economic impact of the 2014 Ebola epidemic: short and medium term estimates for Guinea, Liberia and Sierra Leone", Working Paper No. 90748 (Washington, D.C., 2014).

²¹ Gaël D. Maganga and others, "Ebola virus disease in the Democratic Republic of Congo", *New England Journal of Medicine*, vol. 371, No. 22 (November, 2014).

F. Gender equality and empowerment of women

44. African countries are making notable progress in removing barriers to the advancement of women and their contribution to society. There is greater recognition that the achievement of gender equality and the empowerment of women and girls will place Africa's transformation on a sustainable path. Gender equality offers considerable returns to women and girls and contributes to growth, the eradication of poverty and hunger and the maintenance of peace and security.

45. While numerous challenges remain, African countries have seen marked improvements in gender parity in education over the past decade, although progress has been uneven across countries. At the primary school level, the ratio of girls enrolled increased from 85 to 93 per 100 boys between 1999 and 2011. However, at the secondary level, progress has been limited. The ratio rose from 82 to 83 per 100 boys between 1999 and 2011. Burkina Faso and Senegal are among the few countries that have made rapid progress on gender equality at the primary level, although gross enrolment ratios remain among the lowest globally. It is, however, disconcerting that of the 30 countries in the world where the ratio of girls enrolled in secondary school was less than 90 per 100 boys, 18 are in sub-Saharan Africa.²² In order to boost both enrolment and gender parity in education, policy responses must include a focus on girls' education, building more schools equipped with adequate sanitation facilities, targeting girls and boys from disadvantaged backgrounds, increasing publicity campaigns that address child labour and improving the quality of education.

46. On the political front, there has been an increase in the number of women involved in political and economic decision-making and resource allocation in several countries. In 2014, 20 per cent of seats in African national parliaments were held by women. Rwanda, Senegal, Seychelles and South Africa are among the top 10 countries in the world with the highest percentage of women parliamentarians. The percentage of women parliamentarians ranges from 41 per cent in South Africa to 64 per cent in Rwanda.²³

47. The success of women's empowerment, including the broadening of equality of opportunity, depends on changing social norms, values and attitudes in respect of the role of women within households and in society. In that regard, public opinion surveys covering 34 African countries reveal broad support for the equality of women among both men and women. There is also broad acceptance of women's leadership capabilities. Sixty-eight per cent of surveyed respondents believe women should have the same chance as men to be elected to political leadership positions. Only one in three men surveyed believe that only men should be leaders. Almost two thirds of the respondents believe that families should send the most gifted child to school when resources are limited, instead of preferring the boy child (15 per cent).²⁴

²² United Nations Educational, Scientific and Cultural Organization. *Education For All Global Monitoring Report 2013/4: Teaching and Learning — Achieving Quality for All* (Paris, UNESCO Publishing, 2014).

²³ See www.ipu.org/wmn-e/classif.htm.

²⁴ A. Chingwete, S. Richmond and C. Aplin, "Support for African women's equality rises", Afrobarometer Policy Paper, No. 8 (27 March 2014).

48. Despite the obvious gains to society from the empowerment of women, progress is being hampered by widening inequalities, disproportionately high levels of unemployment among women, gender-based violence and exploitation and child marriage prevalence rates that exceed 30 per cent in many countries.²⁵ In Eastern, Southern and Western Africa, for example, the key constraints to empowerment among women in agriculture concern access to and decisions on credit, workload, the purchase, sale or transfer of assets, input in productive decisions and control over use of income.²⁶ Eliminating constraints in those areas could help to eradicate poverty and improve food security. Studies have shown that when women have the same access to productive resources and services as men, farm yields can increase by 20 to 30 per cent.²⁷

49. To consolidate the gains made to date, countries should improve women's access to decent jobs, credit and microfinance; adopt equal pay for equal work policies; and promote equal rights to property, land and inheritance. Impediments to full participation by women in politics and the economy should be removed. Gains in these areas will enhance social inclusion and ensure that growth is inclusive, equitable and sustained.

G. Development of infrastructure

50. Across Africa, consumers, businesses and government are rapidly embracing innovations in information and communications technology, with an estimated 635 million mobile subscriptions in sub-Saharan Africa by the end of 2014. This is set to rise to about 930 million by 2019.²⁸ There are also predictions that Internet use on mobile phones will grow 20 times between 2013 and 2019, which is double the rate of global expansion. As a result, Africa's entrepreneurs, smallholder farmers, people living in poverty and growing middle class now have faster ways to conduct business and access financial services and information, including current prices for agricultural products. The use of mobile devices has also improved the delivery of public goods and services, including support to farmers.

51. Despite showing such tremendous ability to "leapfrog", the continent's infrastructure deficit remains considerable. Forty per cent of all people without access to safe drinking water live in sub-Saharan Africa. Two thirds of the population of sub-Saharan Africa (620 million people) have no access to electricity. Nearly 730 million people rely on solid fuels such as fuel wood and charcoal for cooking, which is associated with the nearly 600,000 premature deaths that are attributed to household pollution.²⁹ Internet penetration is less than 10 per cent. Only 25 per cent of the continent's road network is paved. Poor port facilities add

²⁵ African Union, Campaign to End Child Marriage in Africa: Call to Action (2014).

²⁶ H. J. Malapit and others. *Measuring Progress toward Empowerment: Women's Empowerment in Agriculture Index — Baseline Report* (Washington, D.C., International Food Policy Research Institute, 2014).

²⁷ Food and Agriculture Organization of the United Nations, *The State of Food and Agriculture 2010-11: Women in Agriculture — Closing the Gender Gap for Development* (Rome, 2011).

²⁸ See www.ericsson.com/res/docs/2014/emr-june2014-regional-appendices-ssa.pdf.

²⁹ International Energy Agency. *Africa Energy Outlook: A Focus on Energy Prospects in sub-Saharan Africa*, World Energy Outlook Special Report (Paris, Organization for Economic Cooperation and Development, 2014).

30 to 40 per cent to intra-African trading costs.³⁰ Consequently, Africa's huge infrastructure deficit is a major threat to the region's hopes for socioeconomic transformation.

52. To enhance the contribution of infrastructure to growth, job creation, the reduction of poverty and inequality and improved service delivery, notable efforts are under way to implement the Programme for Infrastructure Development in Africa. In particular, countries are strengthening their domestic implementation capacity. As a result, investment in infrastructure has become one of the key drivers of solid economic growth. With public spending on infrastructure totalling \$60 billion in 2012, African countries are responsible for the bulk of financing for infrastructure. There is also renewed emphasis on the need to attract private sector financing, in particular for the 16 priority regional infrastructure projects endorsed by African Heads of State at the Dakar Financing Summit for Africa's Infrastructure in June 2014. These projects were selected from the 51 priority action projects under the Programme for Infrastructure Development in Africa owing to their strategic, political and economic importance as flagship regional projects. To enhance private sector financing of regional projects, ECA has identified key policy, legal and regulatory frameworks, which need to be harmonized across Africa's subregions to reduce transaction costs, resolve transboundary issues and facilitate implementation.³¹

H. Governance

53. African countries continue to institutionalize good political, economic and corporate governance. This has resulted in improvements in peace and security, human well-being and service delivery. In many countries, governance indicators point to improvements in democratic culture and practices.³² A majority of Africans live in countries where democracy and electoral competition have become the norm rather than the exception. In 2014, elections were either conducted or planned in 10 countries. An estimated 600 million Africans will elect their leaders in 2014 and 2015. The number of countries engaged in violent conflict has also declined, significantly reducing the cost of civil conflicts on lives, infrastructure and development efforts. These improvements have created a favourable climate for investment.

54. Durable peace and security and the opening up of political space are having a positive impact on growth and inclusive development. Research has shown that full democratization can result in a 20 per cent increase in GDP per capita over 30 years.³³ African countries are therefore placing greater focus on the nexus among peace, security and inclusive development. This can be further strengthened by building effective and functioning institutions that contribute to human resource

³⁰ Dakar Agenda for Action: Moving Forward Financing for Africa's Infrastructure, Dakar, 15 June 2014.

³¹ Economic Commission for Africa, "Enhancing the policy, legal and regulatory environment for regional infrastructure financing in Africa", 2014.

³² Economic Commission for Africa and United Nations Development Programme, *African Governance Report III: Elections and the Management of Diversity* (Oxford, Oxford University Press, 2013).

³³ Daron Acemoglu and others, "Democracy does cause growth", NBER Working Paper, No. 20004 (Cambridge, Massachusetts, National Bureau of Economic Research, 2014).

development and natural resource governance. Effective and inclusive governance is a key enabler of economic, political and social stability and the transformation of Africa.

55. To further deepen respect for human rights, the rule of law and transparent, effective and accountable governance, 34 more countries have acceded to the African Peer Review Mechanism. Seventeen countries have completed their self-assessments and have been peer-reviewed. Through its platform for peer learning and sharing experiences and its inclusive and participatory review exercises, the Review Mechanism is strengthening States, including through government-civic engagement.

I. Mobilization of financing for inclusive development

56. The successful implementation of Africa's development agenda depends on the ability of Governments to mobilize sufficient resources from all potential sources. For decades, efforts to scale up growth-enhancing public investments and plug social and physical infrastructure gaps have been hampered by the small size of the public revenue base. The situation has since improved. The strong growth experienced over the past decade has improved the fiscal and policy space of Governments. Total collected tax revenue in Africa increased from \$137.5 billion in 2000 to a record \$527.3 billion in 2012.³⁴ Financing from the private sector and international sources has also increased.

57. Countries are leveraging public-private partnerships for infrastructure development as called for by the Dakar Financing Summit for Africa's Infrastructure. Resources are also being sought for climate change adaptation and mitigation. Africa has huge domestic resource potential, which should be harnessed to finance development efforts. In addition to improved tax revenue collection, each year, an estimated \$168 billion is generated in mineral resources, \$60 billion in banking revenues and \$400 billion in international reserves.³⁵ Financing the priority action plan projects of the Programme for Infrastructure Development in Africa will require an estimated \$68 billion for implementation until 2020 and \$300 billion through 2040. To raise additional funds, countries are also establishing sovereign wealth funds and issuing sovereign bonds to capital markets. In 2013, sovereign bond inflows into sub-Saharan Africa (excluding South Africa) stood at \$5 billion. This is equivalent to 20 per cent of aid to sub-Saharan Africa and 12 per cent of foreign direct investment inflows.³⁶

58. The development of Africa also requires the full support of its development partners. Official development assistance (ODA) is critical to the provision of vital services in the least developed and other vulnerable countries. The financing needs of Africa's middle-income countries should also be addressed. Although net ODA flows from member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) reached a record

³⁴ African Development Bank, Organization for Economic Cooperation and Development and United Nations Development Programme. *African Economic Outlook 2014: Global Value Chains and Africa's Industrialization* (Paris, OECD Publishing, 2014).

³⁵ New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency and Economic Commission for Africa, *Mobilizing Domestic Financial Resources for Implementing NEPAD National and Regional Programmes and Projects: Africa Looks Within* (January 2014).

³⁶ See www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8883.pdf.

\$134.8 billion in 2013 (up from \$126.9 billion in 2012), total aid to Africa dropped. Bilateral aid to Africa as a whole fell by 5.6 per cent, to \$28.9 billion, while aid to sub-Saharan Africa fell by 4.0 per cent, to \$26.2 billion in real terms.³⁷ However, aid to the least developed countries, including those in Africa, rose 12.3 per cent, to \$30 billion. Close to two thirds of the increase in ODA flows to Africa's least developed countries went to the Democratic Republic of the Congo, Ethiopia and the Sudan.³⁸

59. A significant share of infrastructure investment also comes from Africa's development partners. Commitments by the Infrastructure Consortium for Africa increased by 57 per cent in 2012, to \$18.7 billion, while disbursements increased by 47 per cent, to \$12.8 billion, following a dip in 2011. With a contribution of \$13.4 billion in 2012, China's share is more than half of the external funding.³⁹ Brazil, India and the Republic of Korea have also become significant contributors and commitments have been received from the Arab Aid Coordination Group.

60. Greater efforts are also required to curb illicit financial flows connected to trade mispricing, tax evasion, corruption and other illegal activities that are costing Africa an estimated \$50 billion a year. These flows undermine the fiscal and policymaking space of countries. They drain national revenues, discourage investment and heighten inflation. Illicit flows also stifle poverty eradication efforts and undermine the integrity of public institutions. Efforts are required to strengthen the ability of resource-rich countries to close tax loopholes and negotiate resource extraction contracts. Collaborative efforts between countries of origin and destination are also required to strengthen international asset recovery.

61. Countries also need to better leverage remittances, which continue to be the single largest external flow to Africa. Remittance flows to sub-Saharan Africa are expected to rise by 3.2 per cent to \$33 billion in 2014 from \$32 billion in 2013. Remittance flows to the Middle East and North Africa region are expected to grow by 2.9 per cent in 2014, reaching \$51 billion.⁴⁰ Debt relief also remains paramount for poor countries. Debt relief under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative helped recipient countries to increase their poverty reduction expenditure by about 3.5 percentage points of GDP between 2001 and 2012.⁴¹

III. Conclusion and recommendations

62. The political leadership of Africa should continue to deepen the implementation of NEPAD, in particular with respect to scaling up investments in agriculture, education, health and infrastructure and deepening democracy and the

³⁷ See www.oecd.org/development/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm.

³⁸ *The State of the Global Partnership for Development: MDG Gap Task Force Report 2014* (United Nations publication, Sales No. E.14.I.7).

³⁹ Infrastructure Consortium for Africa, *Infrastructure Financing Trends in Africa: ICA Annual Report 2012* (Tunis, 2012).

⁴⁰ World Bank, "Migration and remittances: recent developments and outlook", Migration and Development Brief, No. 23 (Washington, D.C., October 2014).

⁴¹ International Monetary Fund, "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI): statistical update" (Washington, D.C., December 2013).

rule of law. This will ensure shared prosperity and inclusive growth. In that regard, the Commission should encourage African countries and their development partners to:

- **Maximize the opportunities presented by the convergence of major global policy events in the context of the post-2015 development agenda and work to ensure that the new global framework adequately reflects Africa's priorities as encapsulated in the African Common Position on the post-2015 development agenda and the African Union's Agenda 2063**
- **Promote policies that foster agricultural transformation, including meeting the commitments on agriculture contained in the Maputo Declaration on Agriculture and Food Security**
- **Promote the formulation and implementation of industrial policies that create diversified economies and contribute to poverty eradication and social inclusion through job creation**
- **Reduce inequality and vulnerability by implementing basic social protection floors and expanding opportunities available to disadvantaged and vulnerable social groups, including education, at all levels, that nurtures critical thinking and creativity**
- **Promote gender equality and the empowerment of women by integrating a gender perspective across policies and programmes, expanding access to and control over productive assets and resources and fully realizing the sexual and reproductive health and rights of women and girls**
- **Prioritize investments in building the institutional capacity of health-care systems, reduce health inequities within and across countries, strengthen global health security and curb the outbreak of major diseases**
- **Encourage the international community to honour existing aid commitments, make predictable disbursements of official development assistance and provide debt relief for poor and vulnerable countries**
- **Set bold domestic resource mobilization targets for the implementation of national and regional development programmes. African countries should partner with the international community to track, report, stop and repatriate illicit financial flows from Africa.**