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for sustainable development

Background paper on the subtheme “Strengthening the means of implementation and the partnership for sustainable development”

I. Status of progress

1. Sustainable Development Goal 17 is centred on strengthening the means of implementation and revitalizing the global partnership and cooperation for sustainable development in order to achieve all the Goals.
2. With regard to financial resources for the achievement of the Sustainable Development Goals, net official development assistance (ODA) to Africa was \$27 billion in 2016, of which \$24 billion was for sub-Saharan Africa, representing falls in real terms of 0.5 per cent for Africa and 0.7 per cent for sub-Saharan Africa.¹ Globally, ODA, as measured by the Organization for Economic Cooperation and Development (OECD), currently stands at approximately \$160 billion annually and remains a singular and important driver of development cooperation, mainly on the part of OECD countries and emerging non-traditional donors. Nevertheless, other resources such as foreign direct investment (FDI), capital markets, domestic resources and remittances far exceed ODA.²
3. It is in this evolving context of global development finance that there is a transition from a model concentrated mainly on covering financial needs through ODA and external debt to a model placing a greater emphasis on domestic resource mobilization and other emerging financial instruments. In

*ECA/RFSD/2018/1

¹ See Organization for Economic Cooperation and Development, *Development Aid Rises Again in 2016* (Paris, 2017).

² In 2016, foreign direct investment into Africa stood at \$59 billion, while FDI flows to sub-Saharan Africa declined by 7 per cent, to \$45 billion. Domestic resources, mainly tax revenue, increased significantly to reach approximately \$7.7 trillion annually worldwide, of which \$530 billion is in sub-Saharan Africa. Remittances total more than \$340 billion annually (see Organization for Economic Cooperation and Development, *Development Aid Rises Again in 2016* (2017)). In 2017, Africa received \$38 billion in remittances (see World Bank Group and Knomad, *Migration and Remittances: Recent Developments and Outlook* (2017)), while local and international capital markets, for example, have also become a growing source of funding for developing countries.

2017, South-South cooperation, continued to benefit from an expansion of its scope beyond technical cooperation and knowledge exchange.³ In the field of capacity-building, there has been a resurgence in comprehensive development planning in Africa more attuned to a mix of State and market-based approaches directed at the goals of an articulated economy and an inclusive society. With regard to statistical capacity, African countries have increasingly recognized the need for better statistics as a tool for evidence-based policymaking and decision-making to better support policy implementation, monitoring progress, the evaluation of outcomes and the impact of development plans, as well as relevant global and regional development frameworks. As a result, the demand for quality, disaggregated and timely statistics in Africa has seen an unparalleled rise in the past decades.

4. In the field of science, technology and innovation, while progress has been made in its promotion, challenges remains, which prevents its full integration into Africa's development agenda. These challenges are related to, among other things, policymaking, implementation instruments, financing, capacity strengthening, skills provision, research and development, gender equality and regional integration.⁴

5. Numerous targets of the Sustainable Development Goals relate to trade and trade policy because they are cross-cutting means of implementation under Goal 17. There is the continued promotion of fair trade, FDI and cooperation with the private sector in order to better address Africa's challenges. Unfortunately, global trade patterns are currently not in Africa's interest, and, amid efforts to achieve the Goals, Africa's contribution to global trade remains marginal, at approximately 3 per cent, and continues to be dominated by primary commodities.

II. Detailed look at the achievement of each target of Sustainable Development Goal 17

6. Sustainable Development Goal 17 has 19 targets that are grouped into five topics: finance; science, technology and innovation; capacity-building; trade; and systemic issues.

A. Finance

7. The implementation of the 2030 Agenda for Sustainable Development depends in large part on Africa's capacity to mobilize adequate, predictable and timely financial and non-financial resources. In the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, it is reaffirmed that the mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to achieving the Sustainable Development Goals. While ODA is traditionally a core source of funding, it accounts for only a very small proportion of the range of resources available to developing countries for investing in sustainable development. According to OECD statistics, country programmable aid to the least developed countries and other low-income countries increased by 3 per cent, to \$39.8 billion, in 2015, compared with 2014, while those statistics anticipated a projected decline in country programmable aid levels for some of the least

³ See the report of the Secretary-General on the state of South-South cooperation (A/72/297). These changes are characterized by: (a) national policymaking with dedicated financial resources, policy and regulatory frameworks, specialized personnel and administrative and methodological innovations; (b) the expansion of players engaging in South-South cooperation as part of their core activities; and (c) new waves of multilateral institutions devoted to South-South cooperation, especially in the funding of activities.

⁴ See Ministerial Declaration, Third Africa Science, Technology and Innovation Forum, Cairo, 10-12 February 2018.

developed countries between 2016 and 2019: \$47.922 million in 2016 and \$47.613 million in 2017 for Africa alone.⁵

8. The decline of FDI flows to Africa and its unequal and unevenly distributed streams to the continent, coupled with a slight decrease in bilateral aid to Africa, have seen the emergence and expansions in recent years of activities from new development partners, development finance institutions, public-private “single issue” vertical funds, philanthropic organizations and private “impact” investors. These opportunities are complemented by a comprehensive set of policy actions adopted by United Nations Member States and enshrined in the Addis Ababa Action Agenda.

9. Although concessional external financing and debt issuance should also be carefully sought for large investment, there is a general consensus on resorting to domestic resources as the core of financing to achieve the Sustainable Development Goals. The expansions of the domestic fiscal space through increased economic growth for larger taxation should allow added public revenue, leading to increased public investment in goals relating to health and education, environmental protection, infrastructure and sustainable energy, rural development, peace and security and actions to tackle climate change, as well as to support for statistics as a cross-cutting tool for all the Goals. Domestic resource mobilization is a multi-stakeholder endeavour that requires coordinated interventions targeted at continental, regional and national institutions, with an emphasis on combating illicit financial flows.⁶

10. Undoubtedly, achieving the Sustainable Development Goals and maintaining debt sustainability are necessary. In the past decade, and since the region received debt relief, public debt levels in numerous African countries have been rising alarmingly. Many countries have increased their access to international financial markets, exposing them to volatile market sentiment and shocks. The regional ratio of general government debt to gross domestic product rose from 32.2 per cent at the end of 2014 to an estimated 45 per cent by the end of 2017, with high interest rates and limited capacity for public revenue collection and management.⁷ The year 2017 confirmed a trend showing that the rise of emerging economies also opened up new sources of external finance that African countries could take advantage of.

11. Personal remittances sent by international migrants to their home countries have continued to have a profound impact on individual families, communities and countries. Strengthened by improved economic performance in high-income OECD countries, remittances⁸ to sub-Saharan Africa were projected to grow by a reasonable 3.8 per cent, to \$39 billion, in 2018.⁹

12. North-South, South-South and triangular cooperation continued to be important means for the achievement of the Sustainable Development Goals. The adoption of the Addis Ababa Action Agenda, the 2030 Agenda and the Paris Agreement on climate change furthered the impetus of South-South cooperation

⁵ See Organization for Economic Cooperation and Development, *What is the Aid Outlook for 2015-18?* (Paris, 2015).

⁶ Africa is estimated to be losing more than \$50 billion annually owing to illicit financial flows. See Economic Commission for Africa, *Illicit Financial Flows: Report of the High-level Panel on Illicit Financial Flows from Africa* (Addis Ababa, 2015).

⁷ See Credendo, “Rapid public debt build-up in sub-Saharan Africa”, 27 February 2018. Available from www.credendo.com/ru/node/7710.

⁸ The region’s major remittance receiving countries, namely, Ghana, Nigeria and Senegal, are all set for growth. The region is also host to a number of countries where remittances account for a significant share of gross domestic product, including Liberia (26 per cent), the Comoros (21 per cent), and the Gambia (20 per cent).

⁹ See World Bank Group and Knomad, *Migration and Remittances: Recent Developments and Outlook* (Washington, D.C., World Bank, 2017).

and the launch of several major initiatives.¹⁰ South-South cooperation, as a complement to, but not a substitute for, North-South cooperation, provides new opportunities and potential financial support in accelerating progress in achieving the Goals on the continent. For example, India announced a \$10 billion concessional credit to Africa until 2020, along with \$600 million in grant assistance.¹¹ China also announced the establishment of a \$2 billion fund to assist developing countries in implementing the 2030 Agenda and launched its China South-South Climate Cooperation Fund.¹²

13. Finance is vital for nations to green their economies and to create resilience to the impact of climate change, which includes more frequent and more severe droughts, flooding and storms. The 12 engagements of the One Planet Summit, held in Paris in December 2017, on climate finance are helping to demonstrate that public and private finance are being swiftly deployed in both developed and developing countries to strengthen sustainable development and assist nations in achieving their national climate action plans.

14. While a wide range of sophisticated financial sources and instruments are available, the challenge for African countries is about knowing and gaining access to these resources. This is why African countries need to enhance their capacities to prepare bankable projects.

B. Technology development and transfer: science, technology and innovation

15. Science, technology and innovation bring great benefits to people, Governments and the private sector. They are specifically mentioned as a means of implementation under Sustainable Development Goal 17, in which their cross-cutting transformative potential is highlighted. They are crucial in achieving all the Goals, given that they are catalysts that accelerate all three pillars of sustainable development, namely, economic growth, social inclusion and environmental sustainability, and provide an innovative and effective means of implementation in today's interconnected world.

16. In 2017, mobile money proved to be a successful and encouraging example of helping the African "unbanked" to move from financial exclusion to inclusion. One of the most well-known example is M-Pesa of Safaricom in Kenya, which is also available in the Democratic Republic of the Congo, Lesotho, Mozambique and the United Republic of Tanzania. Other countries have adopted additional operator-led mobile money services such as Orange Money, MTN Mobile Money and Tigo Cash, and there are bank-led mobile wallets in a few countries.

17. Access to the Internet, in particular, unlocks new development opportunities by opening up innovative communication channels, which provide access to information and services, increase productivity and foster innovation. The potential connectivity of more than 7 billion people creates exceptional opportunities to tap into the collective knowledge of the world to achieve the Sustainable Development Goals. Internet users in Africa rose by more than 20 per cent in 2017, with the reported number of users in Mali increasing by almost 6 times. The number of Internet users in Benin, Mozambique, the Niger and Sierra Leone more than doubled in 2017. More than 200 million people obtained their first mobile device in 2017, and two thirds of

¹⁰ For example, some African countries were raising green bonds in 2017-2018. These experiences can be shared through South-South cooperation.

¹¹ India also runs lines of credit programme in Africa including an India-Africa development fund of \$100 million, an India-Africa health fund of \$10 million, the International Solar Alliance and 50,000 scholarships for African students.

¹² Notably, Japan will invest \$30 billion, until 2018, under the public-private partnership of the Tokyo International Conference on African Development.

the world's 7.6 billion inhabitants (5.135 billion) now have a mobile phone. Mobile penetration rates, however, remain below 50 per cent in much of Central Africa.¹³

18. Provisions for promoting science and technology cooperation are increasingly being written into bilateral and regional economic and trade agreements. For example, South-South cooperation in the field of science, technology and innovation is becoming a platform for trade, investment, infrastructure and connectivity, as well as the coordination of policies and development strategies among developing countries. India has substantially increased its support for capacity development in Africa with new initiatives, such as Made in India, Digital India and Smart Cities. They offer opportunities to broaden cooperation with African partnering countries.

19. In parts of Africa, infrastructure projects with multiple States are under way, including China's Belt and Road Initiative (with many African countries expressing interest in partnering with it), which could provide new opportunities and an impetus for international collaboration. China has already financed and built the continent's first transnational electric railway: a \$4 billion railway from Djibouti to Addis Ababa. In Kenya, a Chinese firm has built a new railway connecting Nairobi to the country's port city of Mombasa. Eventually, the line should reach Uganda, Rwanda and the Democratic Republic of the Congo. The private sector is a key partner for making science, technology and innovation an effective and sustainable instrument for Africa's development.

20. Under the auspices of the African Union and the New Partnership for Africa's Development (NEPAD), in 2005, African countries adopted Africa's Science and Technology Consolidated Plan of Action. It contains programmes for research in the areas of biotechnology, biodiversity and indigenous knowledge, water, energy, information and communications technology, drought and desertification, mathematical sciences, manufacturing, material sciences, laser and post harvesting technologies, and space science. In addition, NEPAD supports African countries in conducting research and development and innovation surveys, with a view to building data on the status and trends in public and private sector expenditure on research and development, the number of scientists per 1 million inhabitants, research productivity and firm-level innovation activities.

21. Regional economic communities remain a channel for science, technology and innovation. For example, the Economic Community of West African States (ECOWAS) policy on science and technology is an integral part of its Vision 2020. The policy provides a framework for member States wishing to improve or formulate their own national policies and action plans on science, technology and innovation.¹⁴

22. The European Union has provided funding for research and development in numerous African countries. The European Union-Africa high-level policy dialogue on science, technology and innovation produced the road map towards a jointly funded European Union-Africa research and innovation partnership on food and nutrition security and sustainable agriculture.¹⁵ Under the European Union's Pan-African Programme, the African Union received European Union support for the second phase, beginning in 2018, of African Union research grants and an extension of the Connect Africa Initiative aimed at creating and

¹³ See We Are Social, "Digital report 2018", 30 January 2018. Available from <https://wearesocial.com/blog/2018/01/global-digital-report-2018>.

¹⁴ See United Nations Educational, Scientific and Cultural Organization, *UNESCO Science Report 2016* (Paris, 2016).

¹⁵ Adopted at the third European Union-Africa high-level policy dialogue senior officials' meeting, held in Addis Ababa in April 2016.

developing regional education and research communication networks and high-capacity Internet connectivity with a gateway to global research collaboration.

23. United Nations agencies and programmes maintained their various science, technology and innovation activities in Africa. These range from agricultural research to the promotion of space technologies. For example, building on the experience of the implementation of the African Information Society Initiative and the framework for African innovation, the Economic Commission for Africa (ECA) is focusing on assisting African countries and regional economic communities in the formulation, adoption and implementation of new technology and innovation policies that will help them to accelerate the transformation process in the context of the 2030 Agenda and Agenda 2063: The Africa We Want. ECA also conducts research on national and regional innovation systems, technology transfer and new and emerging technology likely to support economic transformation, as well as on key areas such as agriculture and social service delivery, in which innovation and new technologies can support economic transformation and human resource development.

C. Capacity-building and systemic issues

24. In 2017, it was shown that the formulation of national development plans is increasingly becoming more consultative and an integral part of the global and regional development agenda. Given the determination to successfully implement the 2030 Agenda and Agenda 2063, cooperation with member States in 2017 indicated that there is a need to ensure that they benefit from substantive technical capacity tailored and anchored to the frameworks of both agendas for their integration into national planning and budget frameworks to ensure the effective and integrated implementation of both agendas. This includes support for the design and implementation of, the follow-up to and the reporting on both agendas, including the development of a wide range of knowledge products to inform policy orientation in Africa. Building capacity will enhance efficiency and effectiveness to support the implementation, follow-up and review of both agendas to register desired outcomes and impacts at the country level.

25. While the effective achievement of the Sustainable Development Goals will depend greatly on national action, most of the Goals and their targets also require strengthened international cooperation to be followed through. Follow-up and review processes at the regional and global levels need to be mutually reinforcing and must complement and support national and local reviews, with the ultimate purpose of accelerating progress in the eradication of poverty and hunger and in achieving the other Goals. The African Peer Review Mechanism, the high-level political forum on sustainable development or the Regional Coordination Mechanism for Africa are noted examples of regional mechanisms for monitoring and review.

26. Progress reporting on the 2030 Agenda and Agenda 2063 are limited by large data gaps. In Africa, only 37.8 per cent of the indicators of the Sustainable Development Goals have data to measure progress. The coverage is uneven. For example, Goals 3, 7 and 9 have more than 60 per cent coverage, but Goals 11 and 13 have under 10 per cent.¹⁶ This is because of inadequate prioritization and funding for statistics; weak national statistical systems; a lack of coordination and coherence (data are scattered); limited autonomy and capacity of national statistics offices; the limited availability, timeliness, coverage and quality of data (e.g., 20 per cent of African countries lack recent census data, with some

¹⁶ See Economic Commission for Africa and others, *2017 Africa Sustainable Development Report: Tracking Progress on Agenda 2063 and the Sustainable Development Goals* (Addis Ababa, 2017).

censuses dating back to the 1970s or 1980s); and limited data accessibility and use.

27. Capacity needs and data gap assessments will help to support efforts towards the development of statistics within the framework of the 2030 Agenda and Agenda 2063 at the national, regional and international levels.¹⁶ Without good statistics, Governments cannot deliver efficient administration, good management and evidence-based policymaking. This entails strategic and innovative partnerships between national statistics systems and other players of various data communities. A main challenge in these partnerships concerns the difficulty in analysing and generating results because big data do not often align with statistical principles. Consequently, collaborative action must be taken in order to agree on methodologies, definitions and classifications.¹⁶

D. Trade

28. In 2017, it was confirmed that the international trade landscape influences how well Africa can take advantage of eventual welfare-enhancing trade opportunities.

29. For example, before the World Trade Organization's (WTO) eleventh Ministerial Conference, in 2017, the African delegation had six priorities relating to domestic subsidies in agriculture, cotton, public stockholding for food security purposes, a special safeguard mechanism, fisheries subsidies and special and differential treatment. As delegations gathered, the outcome of the Ministerial Conference did not yield any substantive results other than a political commitment to conclude negotiations on fisheries subsidies. That lone area of multilateral accord, with no assurance of success, calls for African nations to reassess their approach at WTO, taking into account significant risks and a high degree of uncertainty for them.¹⁷

30. Regional integration has a prominent role to play in closer collaboration and increased intra-African trade for member States so that they benefit from economies of scale and develop significant regional value chains. African countries trade more value-added products among themselves, in contrast with their exports to the rest of the world, which are mainly commodities. It is in this context that the African Continental Free Trade Area could prove to be a catalyst for regional integration. The objectives of the Area include the creation of a single continental market for goods and services with the free movement of business persons and investment, the expansion of intra-Africa trade and an improvement in the competitiveness of industries and enterprises. This should potentially attract FDI for national and regional infrastructure projects to, for example, improve competitiveness and production capacity, increase the creation of decent jobs, improve productivity, increase incomes and reduce economic vulnerability and risks.

III. Recommendations

31. The following actions are recommended:

- (a) Closely monitor and document the evidence on the effectiveness of different ways of using ODA as a leveraging tool, including to mobilize private investment through public-private partnerships in developing countries. ODA can also be an important leveraging tool in areas such as domestic resource mobilization,

¹⁷ See Christophe Bellmann, "After the WTO's Ministerial Conference, where next for Africa?" 15 February 2018. Available from www.ictsd.org/bridges-news/bridges-africa/news/after-the-wto%E2%80%99s-ministerial-conference-where-next-for-africa.

- strengthening capacities in statistics and mobilizing public-private partnerships in developing countries;
- (b) Strengthen the message on the reinforcement of Governments' accountability to the people. Given the extent and complexity of the Sustainable Development Goals, adequate resources must be mobilized for robust local/national monitoring and the review of development cooperation commitments, supported by effective global and regional follow-up and review mechanisms, such as the Regional Coordination Mechanism for Africa, the high-level political forum on sustainable development and the African Peer Review Mechanism;
 - (c) Capture and study new initiatives in South-South cooperation and their monitoring and evaluation mechanisms in order to draw useful lessons that would benefit efforts to improve understanding of how to achieve better sustainable development results from such cooperation. The latter would be an advocacy tool for a more prominent role of this cooperation in the transformative power of science, technology and innovation;
 - (d) Ensure that all member States benefit from substantive technical capacity tailored and anchored to the frameworks of the 2030 Agenda and Agenda 2063 for their integration into national planning frameworks to ensure the effective implementation of both agendas. This includes support for their design, implementation and follow-up;
 - (e) Better statistical data and improved analysis must be the backbone of the process to better measure, monitor and manage development results. This entails strategic and innovative partnerships between national statistics systems and other players of various data communities;
 - (f) The African Continental Free Trade Area must receive strong governance, financial and overall innovative support in its implementation in order to yield results. It will also need the effective implementation of the Action Plan for Boosting Intra-African Trade so that it can serve as the framework for the adjoining policies that are crucial to the Area's success.

IV. Key messages to be incorporated into the draft for consideration by the Africa Regional Forum on Sustainable Development

32. To implement the 2030 Agenda and Agenda 2063, it is important to advocate for measures to expand domestic resource mobilization through areas such as improving tax administration; broadening the tax base and eliminating loopholes for tax avoidance, especially among the rich; prioritizing expenditures with the biggest impact on the less privileged; limiting the reach of public spending to intended purposes; and combating illicit financial flows by, among other things, building tax audit capacity and strengthening cooperation on tax matters to contribute to the domestic resource mobilization efforts of developing countries.

33. National statistics offices, supported by development partners, need to strengthen their statistics development systems and data-gathering and data management plans to support the monitoring and reporting requirements of the 2030 Agenda and Agenda 2063 in a harmonized and integrated manner.

34. Long-term planning and policy coordination and progress monitoring, as well as impact evaluation, are needed to identify what works in the achievement of the Sustainable Development Goals on the continent and to address policy failures and gaps in the realization of the 2030 Agenda and Agenda 2063.

35. Investment in research and development should be considerably increased and attention should be given to the development of climate information and services, resilient infrastructure and green industrialization capacities.

36. The African Continental Free Trade Area must receive strong governance, financial and overall innovative support for its implementation in order to yield results.
