United Nations
Economic Commission for Africa

United Nations Economic Commission for Africa contribution to the report of the Secretary-General on the implementation of the Istanbul Programme of Action 2014

Acknowledgements

Under the general supervision of Emmanuel Nnadozie and coordination by Bartholomew Armah, Chief, Renewal of Planning, Valerio Bosco, Judith Ameso, Aissatou Gueye and Mama Keita contributed to this study.

I. Introduction

The Fourth United Nations Conference on the Least Developed Countries (LDCs) held in Istanbul, Turkey, in 2011 that adopted the Istanbul Programme of Action is guided by the overarching goal of addressing the structural challenges faced by LDCs and ensuring that at least 50 per cent of them meet the criteria for graduation by 2020. Critical success factors will include rapid growth rates, economic diversification and strengthened productive capacities.

Overall, economic growth in the Least Developed Countries increased in 2012 and is expected to rise even further in 2013, despite the slow global recovery. There are, however, regional variations in the growth performance of LDCs. Over the last four years, Asian and Island State LDCs have outpaced African LDCs in terms of real gross domestic product (GDP) growth. Also, on the basis of per capita GDP growth, the trends reveal an even wider gap between Africa and other LDCs due to the higher population growth rate on the continent.

There is, however, potential for African LDCs to break out of the LDC category. With the continent's abundant natural resources, African LDCs have higher gross domestic savings than their Asian and Island State counterparts. Also, gross savings in African LDCs exceed gross investments, suggesting ample investment financing opportunities in the economic and social sectors of these countries.

The declining share of manufacturing value added in the GDP of African LDCs further confirms the need for these countries to invest more to diversify their economies. In contrast to African LDCs, Asian LDCs saw manufacturing assuming an increasing share of their GDP, reflecting a shift in the structure of those economies towards higher productivity, incomes and technological sophistication.

This study by the Economic Commission for Africa (ECA) provides an African perspective on and input into the 2014 annual report of the Secretary-General on the implementation of the Istanbul Programme of Action. The analysis makes recommendations on how the implementation can be furthered and improved to ensure that through international cooperation, the LDCs achieve the goals and targets of the Istanbul Programme of Action. The Secretary General's report will feed into the intergovernmental monitoring process of the Istanbul Programme of Action at the Economic and Social Council and the General Assembly.

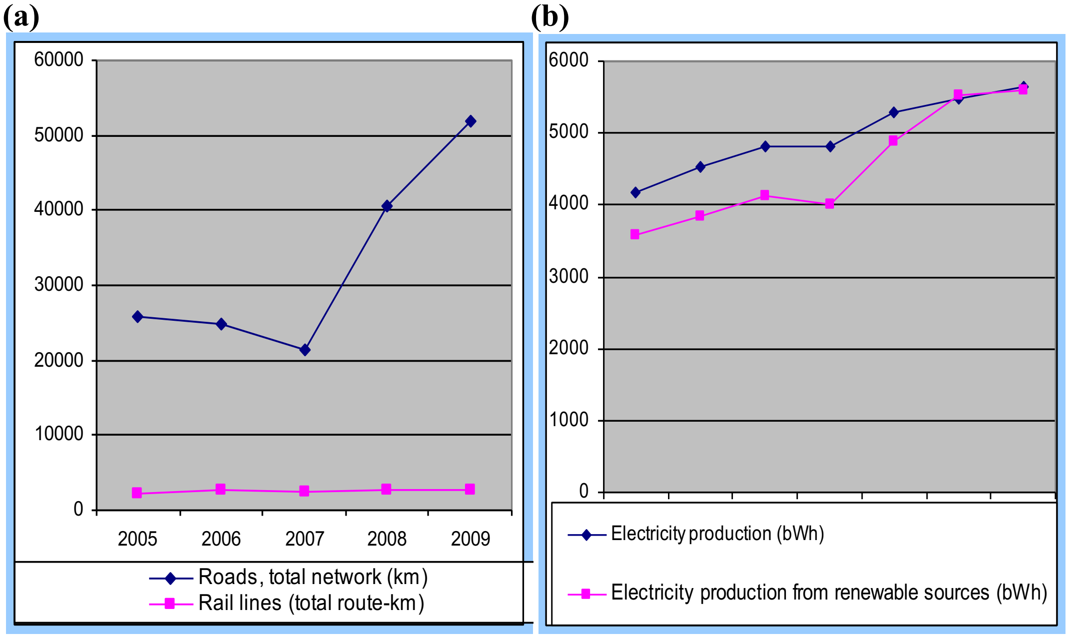
II. Progress in the implementation of the priority areas for action

A. Productive capacity

Infrastructural and technological backlogs and low labour productivity still represent major constraints to competitiveness in the global markets for least developed countries (LDCs). Inadequate road networks, poor energy and telecommunication infrastructure, and an under-skilled labour force all affect the productive capacity of African LDCs.

Total road network: The availability of reliable and accessible road networks plays a key role in providing smooth linkages between the different sectors of the economy. As such, poor roads are an impediment to structural transformation and economic development. African LDCs have shown slight progress in road networks between 2008 and 2009 (see figure 1), registering an increase of 28 per cent (from 40,522 km to 51,983 km).

Figure 1: (a) Roads and rail lines in African LDCs (km); (b) electricity production in African LDCs (bWh)



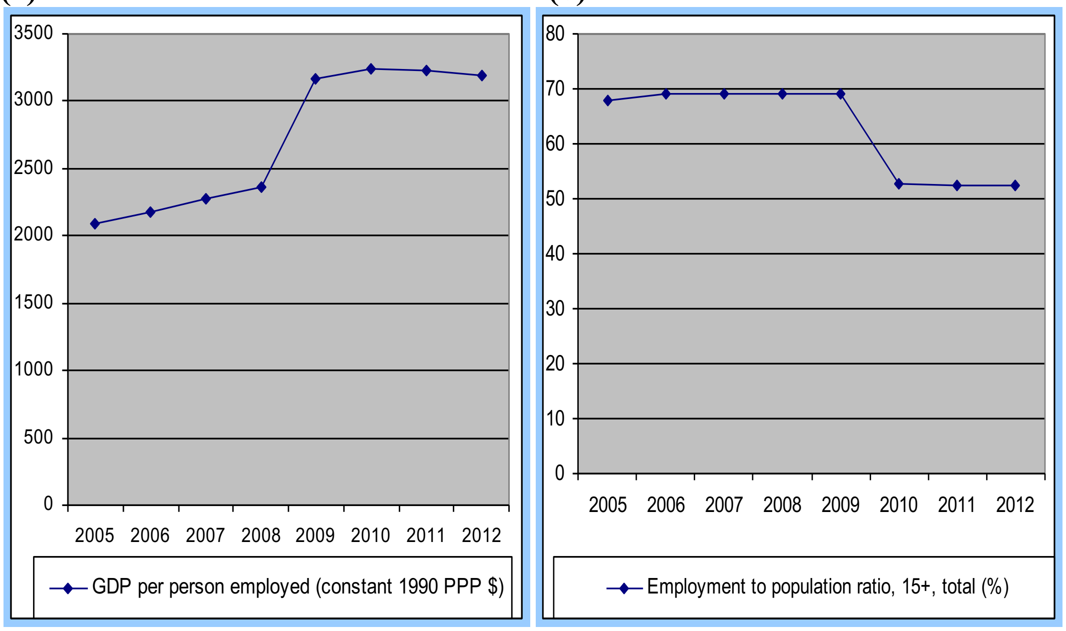
Source: World Development Indicators, World Bank (2014)

Growth rate of gross domestic product (GDP) per person employed: GDP per person employed has increased significantly among African LDCs over the past decade. The average for the 14 countries for which data was available showed an increase of 53 per cent between 2005 and 2012. In fact, since 2005, GDP per person has increased every year, except for the period 2011–2012, when a slight decrease of 1.5 per cent occurred (see figure 2a). High GDP per person employed means higher productivity. However, such productivity increases often stem from capital-intensive production processes that do not contribute to the eradication of the high unemployment rates observed in LDCs.

Employment to population ratio: After remaining stagnant between 2005 and 2009, the average employment to population ratio for the African LDCs dropped by 3 per cent and 0.6 per cent for the periods 2009–2010 and 2011–2012 respectively (see figure 2b). Countries that contributed to this regression in those two periods are Ethiopia (-9 per cent, -10 per cent), Malawi (-19 per cent, -10 per cent), Mozambique (-10 per cent, -10 per cent), and Uganda (-10 per cent, -10 per cent). Generally, the low level of this measure reinforces the view that GDP growth was not accompanied by job creation.

Figure 2: (a) GDP per person employed; (b) employment to population ratio in African LDCs

(a) **(b)**



Source: World Development Indicators, World Bank (2014)

Telecommunications: African LDCs have made significant improvements in implementing modern telecommunications infrastructure. The emergence and rapid market penetration of mobile phones has resulted in a gradual decrease in fixed phone lines. This trend can be attributed to the high investment costs of telephone lines. On average, only 1.1 per cent of the public in African LDCs had access to fixed phone lines in 2012, a slight increase from 1.05 per cent in 2005. On the other hand, access to mobile phones increased from an average of 6.6 per cent to 49.3 per cent during the same period. This trend is expected to continue. Similarly, internet access (per 100 inhabitants) improved from 1.9 per cent in 2005 to 6.9 per cent in 2010 for the 31 LDCs for which data was available.

Electricity production: Out of the 11 African LDCs with data for this measure for the period 2005–2012, the majority showed improvement in electricity production during this period. On average there was a 35 per cent increase in electricity production between 2005 and 2011 in these countries. Impressively, there has been a sustained increase in energy production from renewable sources for all 11 countries since 2005. However, it is worrying that electric transmission and distribution losses have steadily increased over the period 2005–2011.

B. Agriculture, food security and rural development

In the light of natural disasters and erratic climate change, food insecurity continues to grow, including in African LDCs. While there is limited data on the indicators, the Food and Agriculture Organization of the United Nations (FAO) 2013 report on “The State of Food and Agriculture” shows that between 1990 and 2010, Africa had the lowest average food production of all regions of the world. Consequently, access to agricultural inputs such as fertilizers, machinery and irrigation are vital as they can contribute to significant improvements in productivity and food security. The few LDCs for which data is available show little change in irrigated agricultural land, and only a 10 per cent increase in fertilizer consumption between 2002 and 2010.

In recognition of the importance of this issue to Africa, the twenty-second ordinary session of the Assembly of the African Union, which took place on 30 and 31 January 2014 in Addis Ababa, focused on the theme "Food security and agriculture in Africa". At the meeting, African leaders launched 2014 as the Year of agriculture and food security, and agreed to accelerate the implementation of the Comprehensive Africa Agriculture Development Programme African Union member States also reaffirmed their commitment to promoting Africa's role as a strategic player in agricultural science and technology, as well as in developing agricultural markets between African countries. African LDCs can clearly benefit from this renewed continental focus on agriculture and food security.

C. Trade

Agricultural subsidies continue to pose severe trade barriers for LDCs. Like many other LDCs, African LDCs continue to be marginalized in world trade. Together exports and imports represented less than 1 per cent of the total world figures over the period 1980–2011. African LDCs exports admitted duty-free by developed countries have remained relatively flat, changing less than 1 per cent between 2010 and 2011 (UNSD, 2013). Improving the benefits for African LDCs from global trade requires a host of actions, including an increase in aid commitment from OECD nations and clearer international trade rules that protect agricultural commodities produced by LDCs.

D. Commodities

Economic diversification is a key tool to promote job creation and economic development in LDCs. Unfortunately, the pace of diversification continues to be slow in Africa. While half of the African LDCs made strides towards economic diversification between 2002 and 2009 (that is improvements in their export concentration indexes [ECI][1]), the other countries regressed.

Consequently, as a group, African LDCs experienced virtually no change in ECI between 2002 and 2009 (UNCTAD 2010). Resource-based economies were the worst performers. For example, another measure of export concentration based on the number of products accounting for more than 75 per cent of exports showed that Angola, a resource-based economy, had only one product (petroleum), while the United Republic of Tanzania had 31 products in 2009 (African Economic Outlook 2011). In this regard, more effort is needed to improve economic diversification in Africa. In the light of the above, ECA has given increasing focus to issues related to economic diversification, structural transformation and commodity-based industrialization. African member States have therefore been encouraged to design and implement innovative development plans that are aimed at achieving these objectives.

E. Human and social development

Education and training: Enrolment is improving at the primary level, but not so much at secondary and tertiary levels. In 2012, enrolment in primary level education among African LDCs averaged more than 90 per cent, secondary level 39 per cent, and tertiary level 7.3 per cent. A number of education reforms have been made at the primary school level as they are less costly than at higher levels of education. However, this is not sufficient to meet the education and training targets. African LDCs need to replicate these efforts at secondary and tertiary levels in order to meet the education and training targets.

[1] Export concentration index (ECI) takes values between 0 and 1, where the closer a value is to 1, the lower the diversification of products produced and/or exported in the economy.

Population and primary health: Progress in child and maternal health remains slow among African LDCs. In 2012, the average under-five mortality rate for African LDCs was 96.51 deaths per 1,000 live births, down from 104.66 in 2010. However, this only represents a reduction of 8 per cent. In addition, close to half of the LDCs still have an under-five mortality rate that is higher than 100 deaths per 1,000 live births.

The infant mortality rates for African LDCs are generally better than the under-five mortality rates, although the average number of deaths is declining at a slower rate than the under-five mortality rate. Thirty-two African LDCs had an average of 64.51 deaths per 100,000 live births in 2012, down only 6 per cent since 2010, and almost twice the mortality rate of non-LDC African countries.

Data on maternal health is scarce. Africa is home to ten countries with the highest maternal mortality rates globally; eight of these are LDCs, where maternal mortality rates exceeded 700 deaths per 100,000 live births in 2010. Another 21 LDCs had maternal mortality rates higher than 300 deaths per 100,000 live births in 2012, which is considered high by WHO. High maternal mortality among LDCs is attributed to a lack of skilled birth attendants, poor access to contraceptives and proper antenatal care, high adolescent birth rates, and a high incidence of conflict.

Cases of malaria are much more prevalent in African LDCs than in non-LDCs, and pose a far bigger health threat. So far, improvement has been minimal. In 2008, there was an average of 24,946 cases of malaria per 100,000 inhabitants in LDCs, versus 17,186 cases in non-LDCs. By 2010, the number of cases of malaria had dropped by approximately 1,000 in comparison to 2008 levels. Malaria-related deaths are declining slightly faster in LDCs, registering an average decline of 19 per cent between 2008 and 2010, thanks to more widespread use of effective treatment interventions such as Artemisinin-based combination therapy.

Tuberculosis (TB) incidence, prevalence and death rates remained largely unchanged in African LDCs between 2009 and 2011. While TB incidence fell by 2 per cent, prevalence and death rates fell by less than 0.5 per cent during this period. This is consistent with the equally dismal results in TB detection and treatment under the Directly Observed Treatment Short course (DOTS), both of which registered improvements of less than 2 per cent between 2009 and 2011.

Water and sanitation: Water and sanitation trends showed little improvement over the period between 2009 and 2011. The proportion of the LDC population (30 countries) using an improved drinking water source and sanitation facilities averaged 63.6 per cent and 29.1 per cent respectively in 2009. In 2011, the proportion of the population using an improved drinking water source increased to only 65 per cent on average, and to 30 per cent for sanitation facilities.

Gender equality and empowerment of women: African LDCs are performing well on gender parity in primary enrolment, registering an average parity of 0.92 in 2012. Data on gender parity in secondary and tertiary enrolment is limited, but parity indices for both are generally lower than for primary enrolment. African LDCs need more effective interventions in secondary and tertiary enrolment to improve parity at all levels of education.

Just as with gender parity in primary enrolment, African LDCs are slowly but steadily increasing the number of women-held seats in their parliaments. In 2013, women held over 15 per cent of parliamentary seats in at least half of the LDCs. Rwanda and Senegal (both LDCs) are two of the best performing countries in Africa for this indicator.

Social protection: African LDCs need to strengthen their social protection programmes. Specifically, there is a need for Governments to increase their expenditure on health-related social protection programmes. In 2011, the vast majority of LDCs spent less than 5 per cent of their GDP on health, averaging 3.26 per cent only. This amount was no different from the 2009 average expenditure of 3.08 per cent among African LDCs.

F. Multiple crises and other ongoing challenges

LDCs face multiple challenges arising from structural vulnerability and are the most vulnerable to economic shocks and the adverse effects of climate change. A number of countries are pursuing structural transformation in order to build their resilience to economic shocks. Data for 2012 shows that most African LDCs produce and export primary commodities with little or no value added to them. In addition to pursing structural transformation, LDCs can build their resilience to economic shocks by increasing the productivity of their land-based sectors, and processing their mineral resources that are being discovered and exploited.

In spite of Africa's insignificant contribution to climate change, the continent is arguably the most affected by it. Evidence lies in erratic climate patterns in Africa, which are affecting food production, livelihoods and the welfare of the African people, especially in LDCs. For this reason, there is a need to focus on adaptation measures without which economic growth and other aspects of human and natural well-being will be damaged.

G. Mobilizing financial resources for development and capacity-building

The ability to mobilize domestic financial resources is crucial in order to design and implement successful developmental policies. Unfortunately, domestic resource mobilization is still a challenge in most African LDCs.

For example, gross domestic savings (as a percentage of GDP) are not only low but also subject to large variations among the African LDCs. Five countries (Burundi, Eritrea, Lesotho, Liberia and Sierra Leone) had negative savings over the period 2007–2012. However, resource-rich countries, particularly Angola, the Sudan and Zambia, have high gross savings to GDP ratios, averaging 30.56 per cent, 22.3 per cent and 27.8 per cent, respectively, for the period 2007–2012. The challenge for resource-rich nations is how to channel these savings towards economic diversification.

Most of the countries that are rich in resources exhibit much lower gross savings rates, while countries with low gross domestic savings show higher gross savings. This might imply that a significant amount of capital from resource-rich countries is being saved outside the country. If this is true, it denies such countries a unique opportunity to develop their economies and expedite graduation from LDC status.

Data for revenue as percentage of GDP (excluding grants) are scanty for African LDCs, with data available for only six countries for the year 2011. Revenue as a percentage of GDP showed a year-on-year increase between 2005 and 2008; however, it declined to 15 per cent in 2008 and has averaged between 15 and 16 per cent since then. The 2008 global financial crisis and the subsequent eurozone debt crises might have played a role in the fall of revenue.

H. Good governance at all levels

Nearly all African LDCs have ratified the monitored treaties in the Istanbul Programme of Action. All African LDCs, with the exception of Mozambique and South Sudan, have ratified the International Covenant on Economic, Social and Cultural Rights. Since 2008, the Comoros is a signatory State of the Covenant but has yet to ratify it. While 100 per cent of African LDCs have ratified the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination against Women has yet to be ratified by three African LDCs, namely Somalia, the Sudan and South Sudan. Five out of the 34 African LDCs – Chad, Eritrea, Equatorial Guinea, Somalia and South Sudan – have not ratified the United Nations Convention against Corruption.

Commitment to gender equality and the empowerment of women through the Convention on the Elimination of All Forms of Discrimination against Women, as well as the adoption of regional instruments such as the African Union Gender Policy (2009) and the launch of the African Women's Decade in 2010, have allowed African LDCs to make steadier progress on increasing the proportion of seats held by women in national parliament. Affirmative action and a quota system have both played a crucial role in facilitating progress on this indicator.

Only Benin, the Comoros, the Democratic Republic of the Congo, and the Gambia showed stagnation or regression on this indicator. Six out of the 34 African LDCs – Angola, Burundi, Mozambique, Rwanda, the United Republic of Tanzania and Uganda – had over 30 per cent of parliamentary seats held by women in 2013. Ethiopia, Lesotho, the Sudan and South Sudan are very close to the target of 30 per cent. Rwanda is the only country where women held more than 50 per cent of the seats in parliament.

Despite representing approximately 6 per cent of the world's population, African LDCs only have 2.57 per cent of the share of votes at the International Monetary Fund, 2.53 per cent at the International Bank for Reconstruction and Development, and 1.18 per cent at the International Finance Cooperation. Their representation at the International Development Association and Multilateral Investment Guarantee Agency is fairer, with a 7.79 per cent and 5.08 per cent share of the votes respectively.

The African Peer Review Mechanism (APRM) – which recently marked its tenth anniversary – has been playing a crucial role in strengthening good governance practices in Africa. APRM is a voluntary and self-monitoring mechanism that is open to the participation of all African Union member States; it provides a framework to promote good governance and the adoption of policies, standards and practices that lead to political stability, high economic growth and sustainable development.

Twenty-three out of the 33 African countries that have joined APRM are LDCs; of the 17 that have undergone the peer review process, 11 are LDCs (two of which were reviewed in January 2013). It was announced during the twenty-second ordinary session of the Assembly of the African Union in January 2014 that Equatorial Guinea – which is currently in its pre-transition process for graduation – will join APRM, thus bringing the number of African LDCs participating in the mechanism to 24.

An additional cornerstone development in the field of political and economic governance was the entry into force of the African Charter on Elections, Democracy and Governance. The Charter commits States to establishing independent election bodies, codes of conduct and standards for democratic institutions, economic and social governance, and to creating specific obligations to prevent and

respond to unconstitutional changes of government. Out of the 21 African countries that have ratified the Charter, 17 are LDCs.

Over the past few years, African Governments have also made important commitments in the areas of macroeconomic policy management and public financial management, including transparency[2]. Eleven out of the 22 African countries that are parties to the Extractive Industries Transparency Initiative (EITI) are LDCs. Between 2010 and 2013 the candidate status to EITI of four LDC candidates – the Central African Republic, the Democratic Republic of the Congo, Madagascar and Sierra Leone – was temporarily suspended. With regard to the Central African Republic, the suspension was decided by the EITI board in the aftermath of the coup d'état that took place in the country in March 2013.

A similar decision was taken in relation to Madagascar following the unconstitutional change of government that occurred in 2009, and the political tension that unfolded in the country. However, as the African Union decided to lift the suspension of Madagascar in January 2014, following the free and fair elections held in October and December 2013, EITI is likely to reconsider whether to reinstate the country's membership.

With regard to the Democratic Republic of the Congo, its candidate status was temporarily suspended by the EITI board in April 2013. Despite the progress achieved by the country's Government in terms of contracts and license transparency, the Board found that the latest EITI country report did not meet the expected standards in terms of full disclosure and reliability of revenue figures from the extractive sector. In the case of Sierra Leone, the suspension of its candidate status was decided by the EITI Board in February 2013 in the light of the country's failure to achieve EITI compliance mechanisms.

Nevertheless, three additional African LDCs, namely Chad, Guinea and Sao Tome and Principe, are currently candidates to EITI. Ethiopia submitted its request to join EITI since 2010, and its new application is currently under review by the International EITI Board.

A major development in the field of natural resources management occurred in 2013 and is likely to facilitate further improvements in both economic and political governance in African LDCs. **The African Mineral Development Centre** (AMDC) was launched in December 2013 in Maputo, Mozambique at the margins of the AU Conference of Ministers Responsible for Mineral Resources Development. The Centre, which is conceived as the operational arm for the implementation of the African Minerals Vision (2009), is expected to promote more effective use of mineral resources and therefore facilitate socioeconomic development and job creation for African countries, including natural resource-rich LDCs.

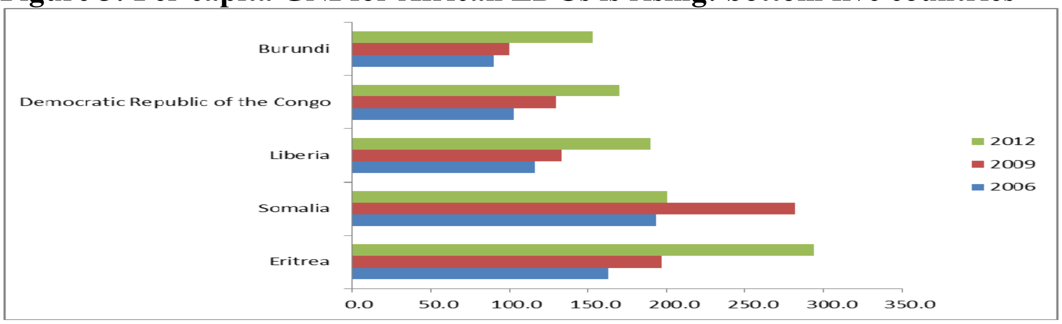
III. Progress on graduation and smooth transition

Countries on the LDC list are eligible for graduation if they meet two of the three criteria for inclusion (i.e. GNI, HAI and EVI[3] scores). An exception is made if the GNI per capita of an LDC is more than twice the level of the graduation threshold, even if the country does not meet any of the other criteria for graduation. A country has to meet the graduation criteria in two subsequent triennial reviews of the list of LDCs before being recommended for graduation by the Committee for Development Policy.

[2] ECA and OECD (2013). *Mutual Review of Development Effectiveness in Africa: Promise and Performance*.
[3] GNI – gross national income; HAI – human assets index; EVI – economic vulnerability index.

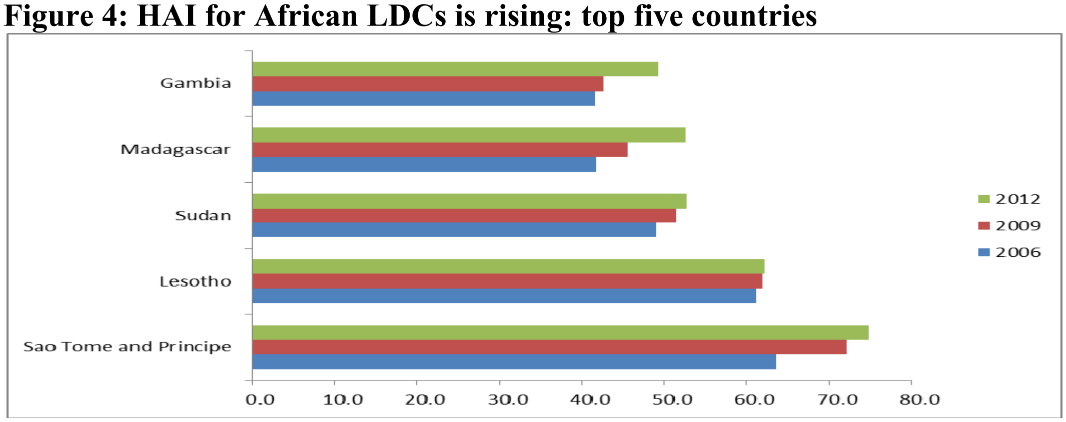
African countries account for the majority of LDCs (34 out of 48). The latest LDC review of 2012 revealed an average overall increase in per capita GNI of African LDCs from US $415 in 2006 to $1,107 in 2012. Indeed, during the past few years, even the bottom five countries (see figure 3) have experienced an increase in per capita GNI (Burundi, the Democratic Republic of the Congo, Eritrea, Liberia and Somalia). In 2012, only Angola, Djibouti, Equatorial Guinea and the Sudan had a per capita GNI above the threshold. Angola and Equatorial Guinea have the highest levels of savings (the two countries also have the highest per capita GNI and GDP growth rate). All of the above-mentioned countries, with the exception of Djibouti, are oil-exporting nations. On average, the other 29 countries will have to increase their per capita GNI by $664 in order to reach the 2012 graduation level.

Figure 3: Per capita GNI for African LDCs is rising: bottom five countries



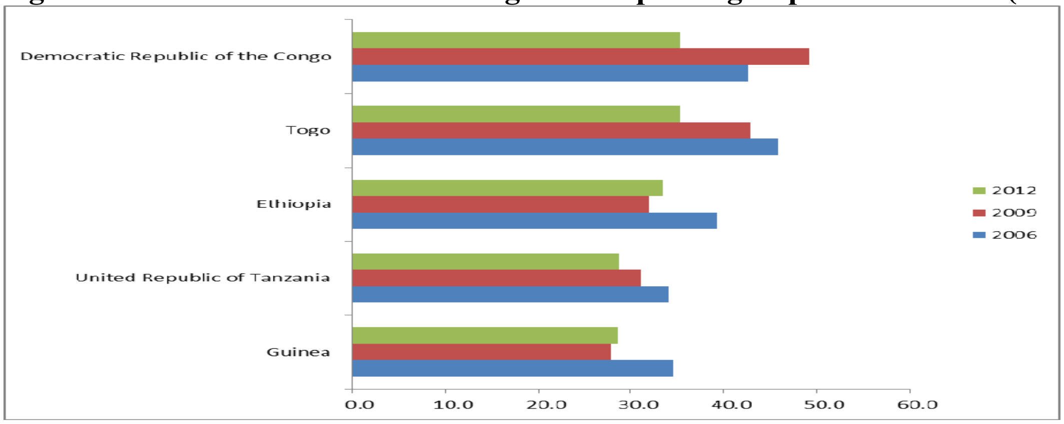
With regard to HAI, marginal improvements were also noted. The best performing countries in 2012 were the Gambia, Lesotho, Madagascar, the Sudan and Sao Tome and Principe (see figure 4). On the other hand, Burundi, the Central African Republic, Chad and Somalia were the bottom four countries in this category. As of 2013, only Sao Tome and Principe had surpassed the HAI threshold. All other countries were below the threshold of 66, with Somalia having the lowest HAI. Countries that have been performing well with regard to per capita GNI (such as Equatorial Guinea) have generally not performed well on the HAI criterion. The HAI was 43 for Equatorial Guinea in 2012, compared to the African LDC average of 37.6.

Figure 4: HAI for African LDCs is rising: top five countries



The last criterion is EVI. In 2012, only two countries (the United Republic of Tanzania and Guinea) surpassed the threshold of 32, scoring 28.7 and 28.6 respectively. During the same year, a number of countries showed a marked improvement compared with 2009, and were getting closer to the threshold. These countries include Benin, Burkina Faso, the Central African Republic, Ethiopia, Madagascar, the Niger and Senegal (see figure 5). The poorest performing country on this criterion was the Gambia.

Figure 5: EVI for African LDCs is high but improving: top five countries (2012)



Several African LDCs depend largely on primary commodities and extractive industries for their economic survival. The structure of their economies, however, renders them vulnerable to commodity price shocks. Furthermore, the enclave nature of primary commodity production undermines the capacity of African LDCs to create jobs, even during periods of steady economic growth.

In the light of the above, and in terms of progress in the field of mineral sectors governance, the recently established African Minerals Development Centre is expected to be instrumental in fostering the use of natural resources to mobilize revenues and rents stemming from mining projects. The intention is to achieve broader development objectives such as economic transformation, industrialization, inclusive growth, job creation and poverty reduction.

In 2009, Equatorial Guinea was recommended for graduation by the Committee for Development Policy and the Economic and Social Council. On 27 November 2013, a resolution adopted by the United Nations General Assembly endorsed the recommendation of the Committee for Development Policy and decided to provide Equatorial Guinea, "on an exceptional basis", with an additional period of six months before the start of the three-year preparatory period leading to graduation. Equatorial Guinea was also invited "to prepare its smooth-transition strategy with the support of the United Nations system and in cooperation with its bilateral and multilateral development partners" (A/68/L.20).

Notwithstanding an overall improvement in the EVI of Equatorial Guinea, its relatively high export concentration (0.77) suggests that it is highly vulnerable to external shocks. Changes in production and market prices have the potential to affect the oil sector, which accounts for approximately 75 per cent of the country's GDP. Nevertheless, revenue from the oil and gas sector is increasingly being used to finance major infrastructure projects and programmes, including roads, schools, hospitals, government buildings, social housing, airports and ports. Plans to ensure diversification of the economy by 2020 are currently being designed.

Despite the above, the HAI has not improved significantly in Equatorial Guinea. In 2012, it was 43, compared to the African LDC average of 37.6. As a solid improvement in per capita GNI does not provide viable conditions for a smooth transition, more concrete measures to diversify the country's economy, promote value addition and enhance human development are required. The recent decision of Equatorial Guinea to join APRM might provide the country with a precious opportunity to improve economic governance and adopt more effective and sound macroeconomic policies aimed at fostering economic diversification and inclusive growth.

Angola also surpassed, by a long way, the United Nations threshold level for income criterion for graduation from LDC status. As the country met the criteria for the first time in 2012, recommendations for graduation will be suggested only if the criteria are met again in 2015. Oil accounted for 96 per cent of Angolan exports and 46 per cent of its GDP in 2012. New oil exploration and drilling are likely to continue in 2014 and expectations of increased production are realistic.

However, despite such a high rate of economic performance as well as new oil discoveries, the progress made in economic diversification and social (i.e. human) indicators is extremely limited. Angola currently ranks 148 out of 187 in the Human Development Index. Consequently, Angola should enhance its efforts to build productive capacities and accelerate structural economic transformation as part of its long-term development policies and strategies. Redistribution of the massive oil wealth to reduce inequalities should represent a crucial priority.

Other African LDCs have recently expressed their intention to graduate by targeting different years. While Ethiopia and the United Republic of Tanzania indicated 2025 as a possible year for graduation, Guinea and Zambia indicated respectively 2030 and 2035.

IV. Conclusions and way forward

Over the past few years, Africa has confirmed its performance as the second fastest growing region in the world. The marginal reduction of the growth record among African LDCs in the biennium 2011–2012 (from 3.9 per cent to 3.6 per cent) was heavily influenced by the poor economic performance of countries that were affected by conflicts and political instability (Guinea-Bissau, Mali, the Sudan and South Sudan). However, other African LDCs, such as Angola, Burkina Faso, Chad, Ethiopia, Liberia and the Niger, experienced impressive growth rates of over 7 per cent. This remarkable performance has been generally driven by a narrow range of primary commodities, whose benefits are not distributed to the different segments of society, and which are often characterized by price instability and vulnerability to shocks. The absence of a link between economic growth and job creation represents a crucial challenge for the African continent as well as African LDCs.

ECA has consistently argued in its recent reports (Economic Report on Africa 2011 and 2012; Millennium Development Goals reports 2011 and 2012) that structural transformation of African economies – to be promoted through industrial policies focusing on value addition and economic diversification – is instrumental in order to create more decent jobs, reduce poverty and inequalities, and foster inclusive growth.

In the biennium 2012–2013, ECA, the African Union Commission, the African Development Bank and the United Nations Development Programme were mandated to develop an African common position on the post-2015 development agenda through extensive consultations with all stakeholders in the region. The African common position on the post-2015 Millennium Development Goals identified structural economic transformation, inclusive growth, innovation and technology transfer, human development, financing and partnership as the key priorities for the continent.

As mentioned earlier, it is clear that structural transformation could play a crucial role in addressing the special needs and vulnerabilities of African LDCs. This has inspired ECA to reaffirm its commitment to the promotion of an innovative global cooperation framework intended to support African efforts to diversify their economies, strengthen productive capacity and enhance resilience for long-term sustainable development.

In the light of the above, ECA will continue to support LDCs in Africa as a critical component of its broader mandate to promote the economic and social development of its member States, foster intraregional integration, and promote international cooperation for Africa's development. Activities aimed at supporting African LDCs will include:

(a) Convening the second ECA biennial review of progress on the Istanbul Programme of Action (2015) and supporting the capacities of LDCs to accelerate and monitor progress on the implementation of the Istanbul Programme of Action;

(b) Supporting the African Union and African member States in developing a strategy for advocacy, promotion, and forging alliances around the common African position on the post-2015 development agenda;

(c) Focusing on policy areas that might have a relevant impact on graduation, including development planning, economic governance, and economic and social policies aimed at addressing inequalities, promoting trade and regional integration, etc.;

(d) Supporting continental efforts aimed at finalizing the African Union's Agenda 2063;

(e) Servicing the Seventh Joint Annual Meetings of the ECA Conference of African Ministers of Finance, Planning and Economic Development and AU Conference of Ministers of Economy and Finance, the theme of which is "Industrialization for sustainable and inclusive development in Africa"(27 March – 1 April 2014, Abuja);

(f) Mainstreaming the Africa Mining Vision into national development plans adopted by African countries, encouraging participation in international instruments aimed at ensuring transparency in the mining sector, and supporting the full operationalization of the African Minerals Development Centre.

Contributed by Valerio Bosco, Judith Ameso and Ziv Chinzara,