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Draft Report on the Implementation of Regional and International Agendas and other Special Initiatives in Southern Africa

The Addis Ababa Action Agenda in Southern Africa:

Reporting Progress on Finance, Trade and Development Cooperation

Introduction

1.The world is at a critical juncture, faced with multiple crises. At a political level, there are several wars and conflicts raging, one in Russia and Ukraine, distracting attention of European leaders from the needs of the developing world; another in the Middle East, generating geopolitical tensions and uncertainty. On the environmental front, climate change is increasingly wreaking havoc destroying lives and livelhoods as extreme weather events become more frequent and intense. On the economic front, food inflation, youth unemployment, high and rising debt and inadequate development financing are mounting concerns in the developing world. On the social front, rising income inequalities and persistent multi-dimensional poverty are threatening prosperity for all and fueling unsafe, disorderly, and irregular migration. Amidst these polycrises, fast tracking progress on the achievement of the Sustainable Development Goals (SDGs) is proving to be a huge challenge, including in Africa and Southern Africa, as demand and competition for development financing keeps mounting.

2.Last year's "*Report on the Implementation of Regional and International Agendas and other Special Initiatives in Southern Africa*" had documented the slow progress in achieving the SDGs in Southern Africa and advocated for regional approaches towards fast tracking sustainable development. This year's *Report* puts a spotlight on the progress made in the region on commitments that were made by member states in relation to the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development that was adopted by the United Nations (UN) General Assembly in July 2015. These commitments were meant to advance the pursuit of sustainable development.

3. This report is timely and relevant for several reasons. First, ahead of the **Fourth International Conference on Financing for Development (FfD4),** that will take place in Sevilla, Spain from June 30 to July 3, 2025, where a successor to the AAAA will be developed, it is critical for Southern Africa to take stock of what has been accomplished from 2015 to 2023 on the main focus areas of the AAAA, identify gaps that remain to be addressed and delineate priorities to be raised at FfD4. The Fourth FfD will be hosted by Spain and aims at addressing "*new and emerging issues, and the urgent need to fully implement the Sustainable Development Goals, and support reform of the international financial architecture"*. FfD4 will assess the progress made in the implementation of the Monterrey Consensus (FfD2 held in Mexico in 2002), the Doha Declaration (FfD3 held in Doha in 2008) and the Addis Ababa Action Agenda (FfD3 held in Addis Ababa in 2015) (Source: https://financing.desa.un.org/ffd4).

4. Second, in light of the Pact for the Future, recently adopted at the Summit for the Future, FfD4 will an important global opportunity to detail interventions to reform the existing global economic order to address new and emerging issues. Third, as South Africa is about to assume the Presidency of the G20, the recommendations of this Report could contribute to the policy agenda of Southern Africa under South Africa's G20 Presidency. South Africa and Zambia are Vice-Chairs of the Preparatory Committee for the FfD4 for the Africa Group.

5. The AAAA covers the following focus areas: (i) domestic public resources (ii) domestic and international private business and finance (iii) international development cooperation (iv)

international trade as an engine of development (v) debt and debt sustainability and (vi) science, technology and innovation. This report will focus on selected aspects of areas (i), (iii), (iv) and (v).

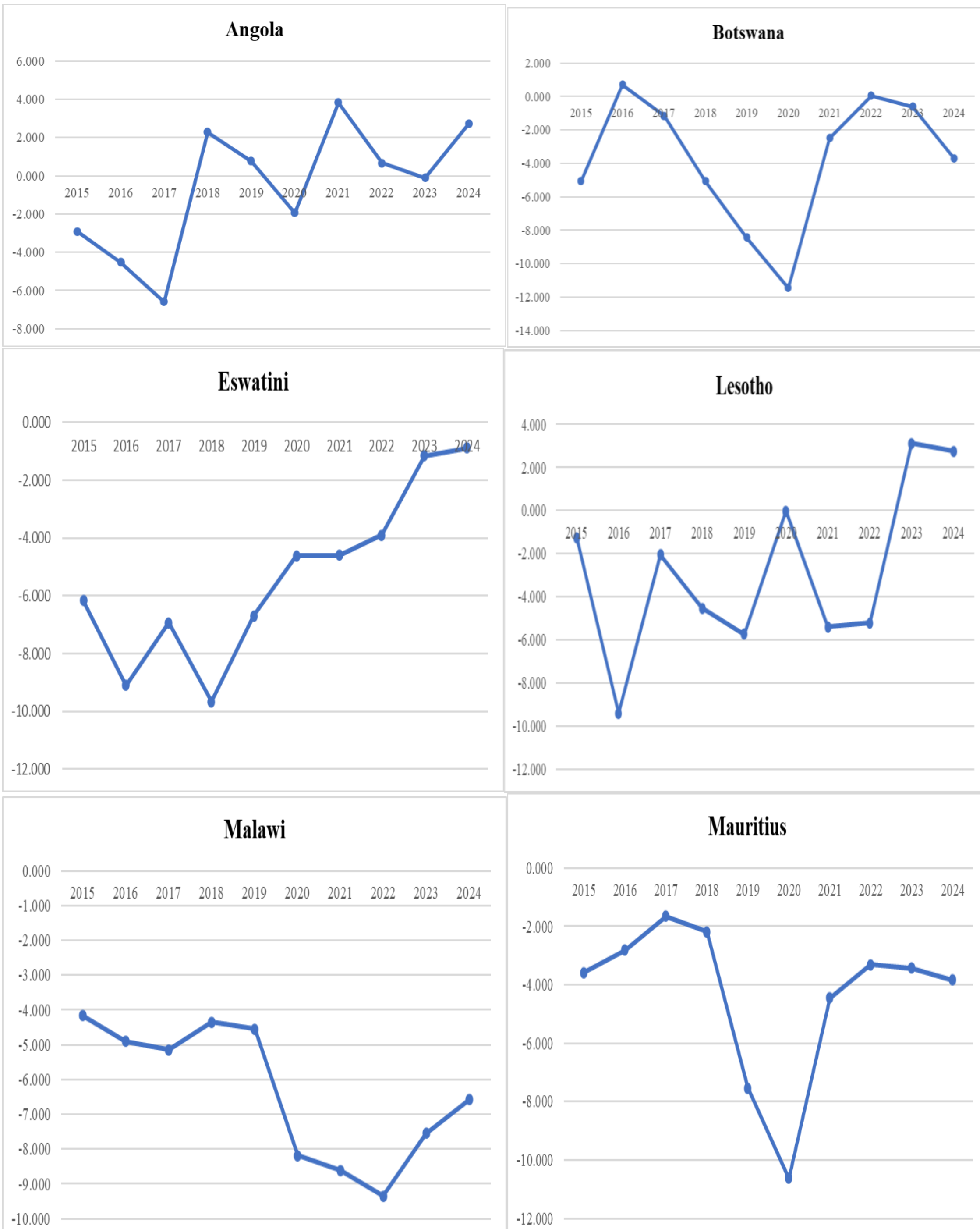
Section 1: The State of Domestic Public Resources in Southern Africa (2015-2023).

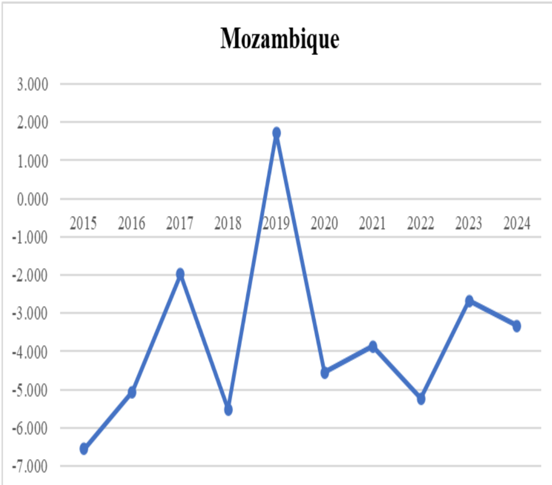
6. The AAAA states in Paragraph 20, that public policies and the mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to the pursuit of sustainable development including the achievement of the SDGs. Enhanced mobilization efforts and effective use of domestic resources were declared priorities, to be powered first and foremost by economic growth, supported by an enabling economic environment. Paragraphs 21 to 34 emphasize the following reform areas to support domestic resource mobilization: (i) gender equality and women's empowerment, (ii) enhancing revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection, (iii) reduction of illicit financial flows and combating tax evasion and corruption, (iii) international tax cooperation, (iv) transparency in natural resources extraction, (v) transparency and equal participation in the budgeting process, and promotion of gender responsive budgeting and tracking, (vi) rationalization of fossil fuel subsidies, (vii) enhancing a role for national and regional development banks, and (viii) strengthening local authorities including their capacities to mobilize revenues among others.

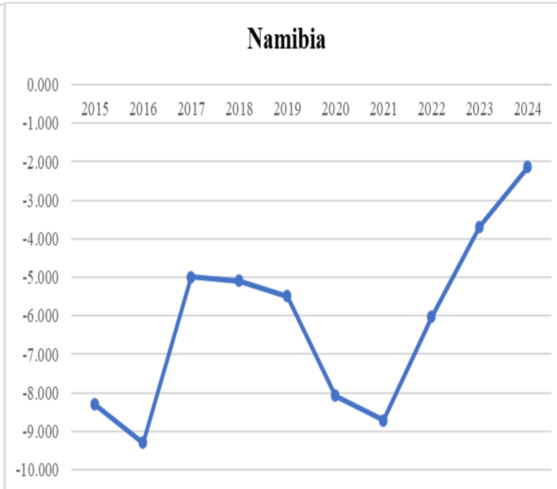
7. Using data from the International Monetary Fund (IMF) Government Financial Statistics (GFS), Table A.1 in the Annex shows trends in central government's revenues and expenditures as a percentage of Gross Domestic Product (GDP) in the 11 Southern African member States of SRO-SA from 2015 to 2024. In 2015, central government revenues as a percentage of GDP were, respectively, 15.3 per cent in Malawi, 18.7 per cent in Zimbabwe, 18.8 per cent in Zambia, 20.9 per cent in Mauritius, 24.1 per cent in Angola, 25.6 per cent in Mozambique, 25.8 per cent in South Africa, 28.2 per cent in Eswatini, 34.6 per cent in Botswana, 35.4 per cent in Namibia, and topping 50.5 per cent in Lesotho. When comparing figures for 2024 with 2015, it is observed that these percentages projected to increase in 2024 in Lesotho (52.4 per cent), Malawi (17.7 per cent), Mauritius (24.2 per cent), Mozambique (26.7 per cent), and Zambia (21.2 per cent). Mauritius, Lesotho and Zambia made the largest strides in mobilizing public revenues when comparing 2024 with 2015.

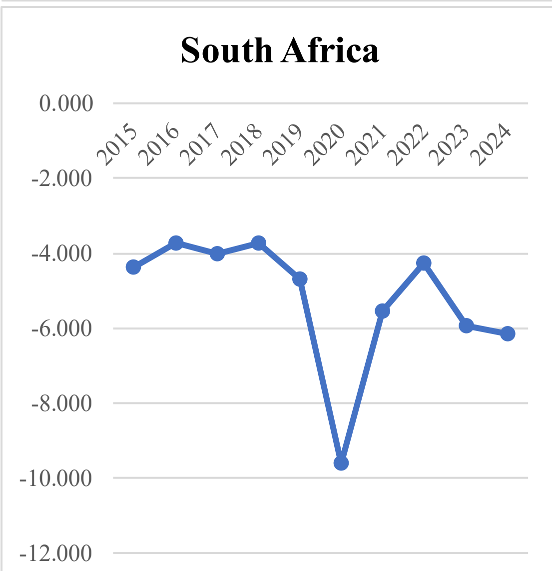
8. The difference between central government revenues and expenditures (as a percentage of GDP) is graphed in Figure 1 below for the 11 SRO-SA member states. As expected, Covid-19 negatively affected public resources mobilized net of public expenditures in several countries (e.g., Botswana, Malawi, Mauritius, Namibia, South Africa and Zambia), with a big widening in net public deficits in 2020. Figure 1 confirms that net public resources mobilized for most countries have been erratic and subject to fluctuations over the period 2015 to 2022. Eswatini stands out as the only country with a clear upward trend since 2018, when it comes to narrowing its public deficit as a percentage of GDP.

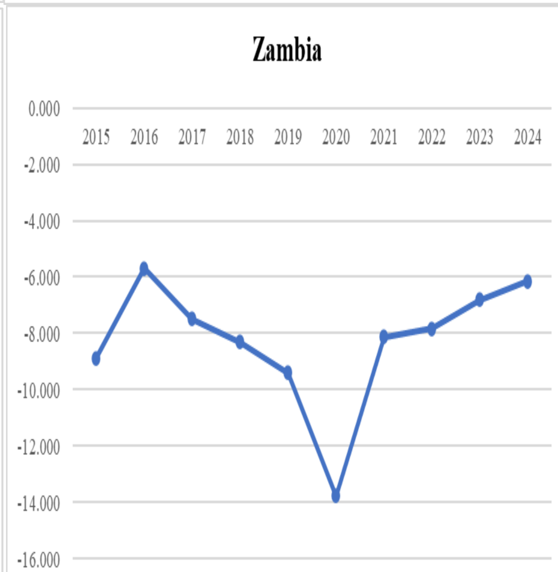
Figure 1. Trends in Net Central Government Revenues as a percentage of GDP (2015-2024)

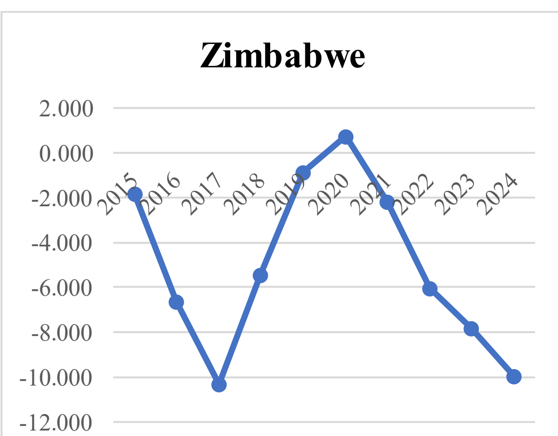












Source: IMF Government Financial Statistics, 2024.

9. Central government revenues consist of several sources including grants that may come from external rather than domestic sources. An important component of domestic public resources consists of tax revenues. Table A.2 in the Annex analyses the sources of central government revenues in Southern African member States based on the IMF GFS. The share of tax revenues in central government revenues was 46.3 per cent in Angola in 2019; in Botswana, 66.7 per cent in 2022; in Eswatini, 96.2 per cent in 2021; in Lesotho 63.4 per cent; in Malawi 76.0 per cent; in Mauritius 89.2 per cent; in Mozambique 79.4 per cent; in Namibia 86.8 per cent; in South Africa, 96.5 per cent – all in 2022; in Zambia 68.8 per cent in 2021 and Zimbabwe 88.9 per cent in 2018. Based on more recent data, more than 35 per cent of tax revenues come from taxes on income, profits and capital gains except in Mauritius where the share is only 22.5 per cent.

10. Tax revenues as a percentage of GDP for 2021 is depicted in Figure 2.a. Southern African member States show a tax to GDP ratio comparable and even higher than the average for Latin America and the Caribbean, Europe and Central Asia, East Asia and the Pacific and the World average. While tax revenues can be raised through rises in tax rates, further increases in tax rates on the private sector may introduce disincentives towards investment and production through the Laffer Curve effect while increases in tax rates on households can contribute towards worsening tax evasion. Instead, countries should consider enhancing central government revenues by strengthening domestic public resources through a three -pronged approach that consists in (i) broadening the tax base over the medium to long-term by creating an enabling environment for economic growth and private sector development and accelerating economic diversification to create more taxable jobs in the formal sector (ii) diversifying domestic public resources away from tax towards non-tax sources such as raising property income (through creation of property registries and regular valuation of property), raising income from licensing fees, fines and penalties through a better enforcement of regulations including environmental standards and (iii) making the tax system more progressive by taxing the wealthy and real property more effectively. With the advent of the African Continental Free Trade Area (AfCFTA) and further trade liberalisation, countries that source an important share of their tax revenues from international trade (See Figure 2.b.) (Botswana, Eswatini and Namibia) have to step up efforts at diversifying their tax revenues.

11. An important area where progress can be accelerated is in combatting tax avoidance and evasion, base erosion and profit shifting (BEPS)[1] practices by multinational companies and illicit financial flows. In its Financing for Sustainable Development Report 2024, the UN advocates for countries to enhance efforts at transparent and automatic exchanges of tax information, become members of the OECD BEPS Action Plan and implement the recommendations therein while promoting beneficial ownership information on legal entities (UN, 2024). Complementary measures as outlined in paragraphs 21 to 34 of the AAAA need to be more effectively implemented. Countries should also better leverage the Integrated National Financing Framework (INFF) - a tool aimed at strengthening planning processes and spelling how national development strategies will be funded and implemented from the full range of public and private financing sources.

[1] BEPS relates to tax planning strategies that multinational enterprises use to exploit loopholes in tax rules to artificially shift profits to low or no-tax locations as a way to avoid paying tax.

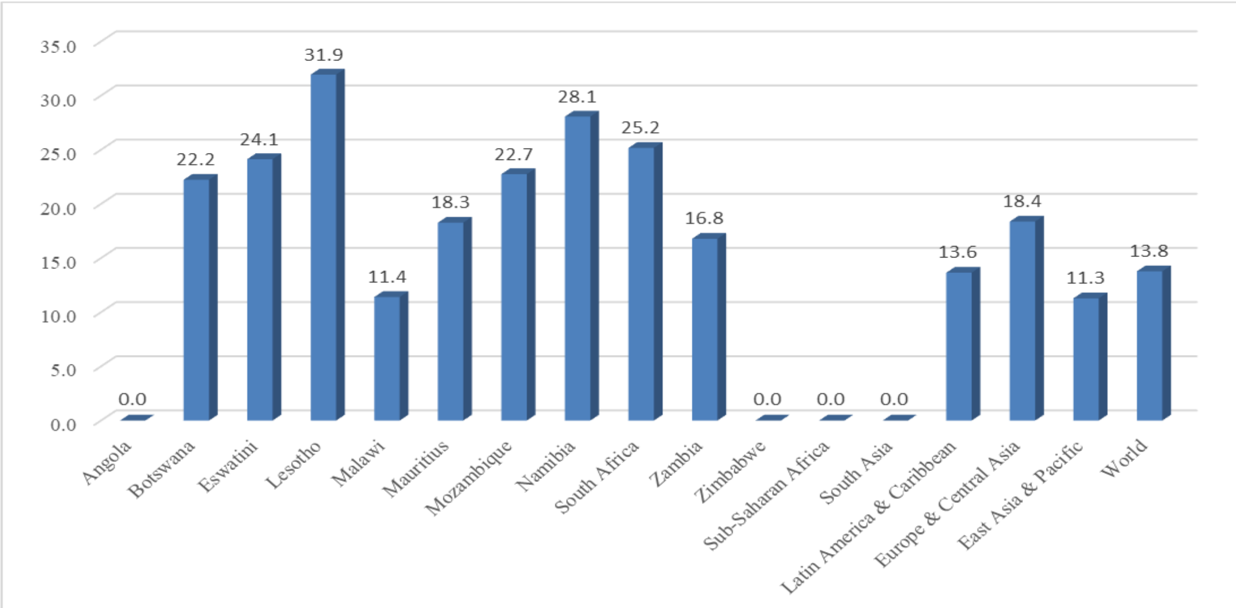
Box 1. Strengthening Domestic Resource Mobilization – Examples from selected countries.

In **Zambia**, UNCTAD supported a mineral tracking system implemented by the Zambia Revenue Authority (ZRA) which facilitates the detection of illicit trade practices which deprive the country of huge amounts of financial resources. This measure culminated in the recovery of around US$1 million in unpaid export dues from mining companies in one year of operation of the Mineral Output Statistical Evaluation System (MOSES) in 2016.

Taxation and the International Digital Economy in Mauritius

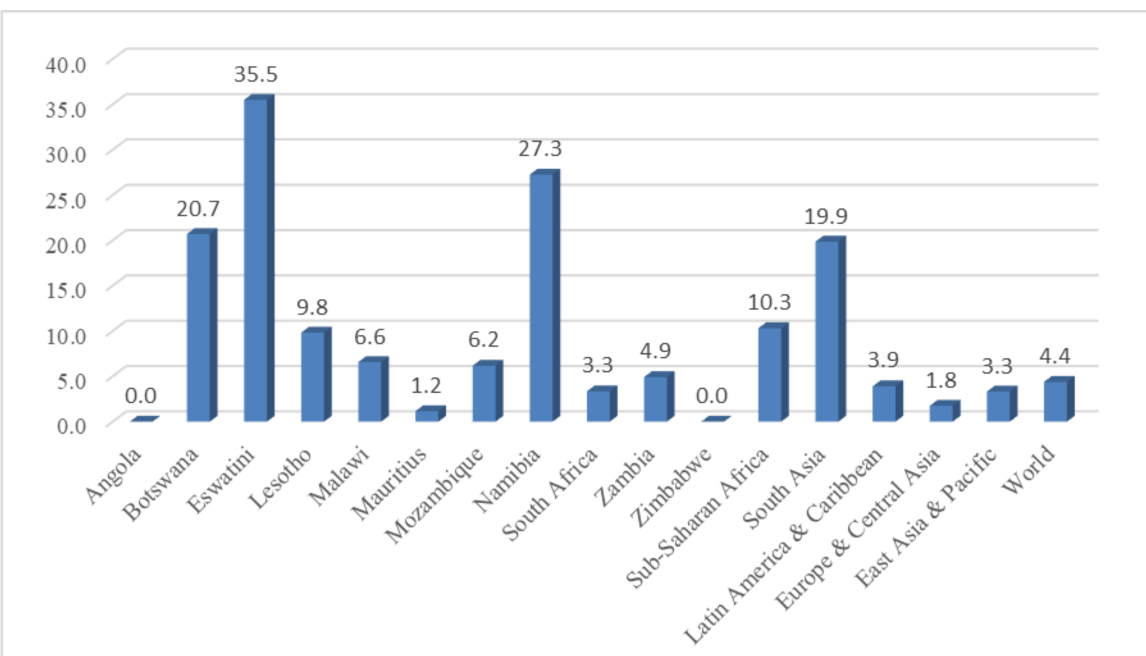
Under the Covid-19 austerity measures, the government of **Mauritius** passed a new tax on digital services in August 2020. The "Liability to Value Added Tax on Digital and Electronic Services" is one of the several amendments to the Value Added Tax (VAT) Act introduced in the July 2020 Finance Bill. The penalties for failure to comply with VAT that are outlined in the original VAT Act include a fine of up to US$ 1,255 or imprisonment of up to five years. In 2020, Mauritius introduced a 15 per cent VAT on digital services provided by non-resident companies to consumers based in Mauritius and is working to bring the regime in line with OECD best practice for electronic services VAT. To enhance resource mobilization, the country has also made efforts aimed at combating illicit financial flows including the development of the National Action Plan based on a US-Africa Partnership on illicit finance between the years 2015 and 2019.

Figure 2.a. Trends in Tax Revenues as a Percentage of GDP (2021) -selected countries and areas



Source: World Bank Development Indicators (YEAR). Data not available for Angola, Zimbabwe, Sub-Saharan Africa, and South Asia.

Figure 2.b. Tax on International Trade as a Percentage of Revenues (2021) -selected countries and areas



Source: World Bank Development Indicators (YEAR). Data not available for Angola and Zimbabwe.

Section 2: Trends in International Development Cooperation (2015-2023)

12. Paragraph 50 of the AAAA recognizes the critical role that international public finance plays in complementing efforts of countries to mobilize domestic public resources, especially in poor and vulnerable countries. As mentioned earlier central government revenues can consist of grants from international sources. The AAAA called on countries to fulfill their commitments towards Official Development Assistance (ODA), namely the commitment to earmark 0.7 per cent of their Gross National Income (GNI) to ODA and at least 0.15 to 0.20 per cent of their GNI as ODA to Least Developed Countries (LDCs). Southern Africa hosts Angola, Lesotho, Malawi, Mozambique and Zambia as LDCs. The AAAA also stresses the need to adhere to principles laid out to enhance aid effectiveness, transparency, impact and results. The AAAA urges countries to track and report resource allocations towards gender equality and women empowerment and to use ODA to catalyze additional resource mobilization from public and private sources. South-South cooperation is also recognized as an additional supplement to international public finance and not a substitute for North-South cooperation.

Table 3. ODA to developing countries and by region (current prices, million US$).

Time period	2015	2016	2017	2018	2019	2020	2021	2022	2023
Recipient									
Donor: Official donors Measure: Official Development Assistance									
Developing countries	168,366	182,288	192,214	196,641	192,306	224,209	235,610	277,333	1,141
· Europe	8,715	10,277	11,313	9,555	8,448	10,438	11,336	37,624	30
· Africa	56,288	56,487	60,785	62,226	64,614	81,375	84,761	78,851	611
· America	11,844	12,783	11,298	12,262	10,926	14,554	14,458	15,907	60
· Asia	51,626	57,042	63,327	66,802	63,421	69,753	69,619	62,810	304
· Oceania	1,990	1,759	2,159	2,425	2,342	3,209	3,766	3,040	22
Least developed countries	46,876	46,583	52,168	58,934	57,147	68,908	66,952	62,603	567

Source: OECD International Development Statistics Online Database[2].

13. ODA consists of concessional loans and grants and allows developing countries access to zero (in case of grants) or low interest loans that contribute towards ensuring debt sustainability in these countries. This makes ODA a critically important feature of the development finance landscape of

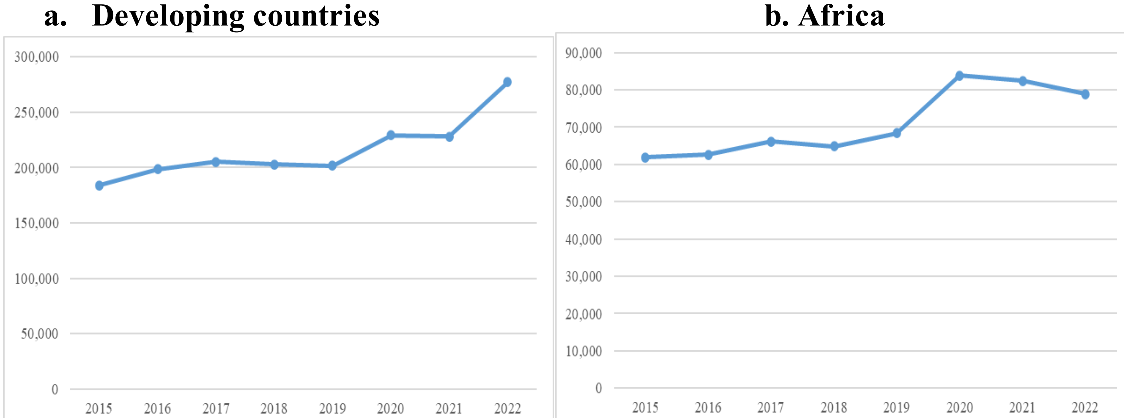
[2] Official donors consist of 31 DAC and 19 non-DAC countries (DAC: Australia, Austria, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom and United States of America; and non-DAC: Azerbaijan, Bulgaria, Chinese Taipei, Croatia, Cyprus, Israel, Kazakhstan, Kuwait, Latvia, Liechtenstein, Malta, Monaco, Qatar, Romania,, Saudi Arabia, Thailand, Timor-Leste, Turkiye, United Arab Emirates)

developing and African countries. Table 3 below shows trends in ODA (loans and grants) among developing countries and by region from 2015 to 2023 at current prices. In nominal terms total ODA to developing countries amounted to US$ 277.3 billion in 2022 compared to US$ 168.4 billion in 2015. Africa's share of total ODA to developing countries has averaged 32.7 per cent in the period 2015 to 2022, with total ODA of US$ 78.8 billion in 2022. Of concern however is that Africa's share from 2021 to 2022 plummeted from 36.0 per cent to 28.4 per cent as Europe's share rose from 4.8 per cent to 13.6 per cent. The war in Ukraine risks shifting aid away from developing countries in Africa. Data for 2023 reveals a large collapse in ODA to developing countries, valued at only US$ 1.1 billion, another worrying development to watch out for. The share of grants in total ODA averaged 74.1 per cent from 2015 to 2022 and in Africa 70 per cent compared to 63.3 per cent in the Americas and 64.4 per cent in Asia but far lower than the 84.7 per cent average in Oceania.

14. In real terms, total ODA for developing countries grew constantly from 2015 to 2022 at an average annual growth rate of 6.3 per cent. In real terms, ODA to Africa has however been on the decline since 2020.

Figure 3. ODA at constant US$ 2022 prices, in millions.

a. Developing countries **b. Africa**

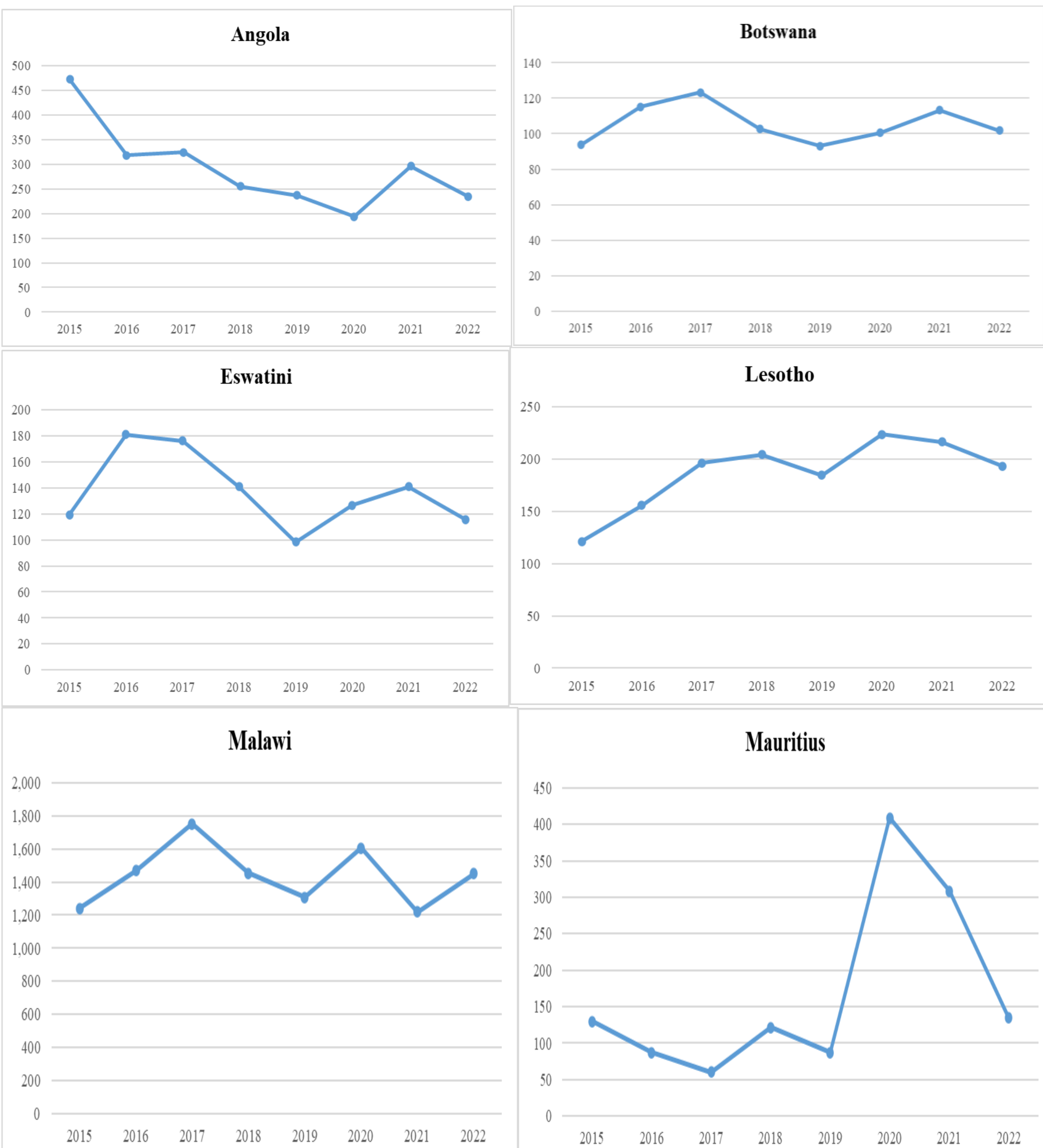


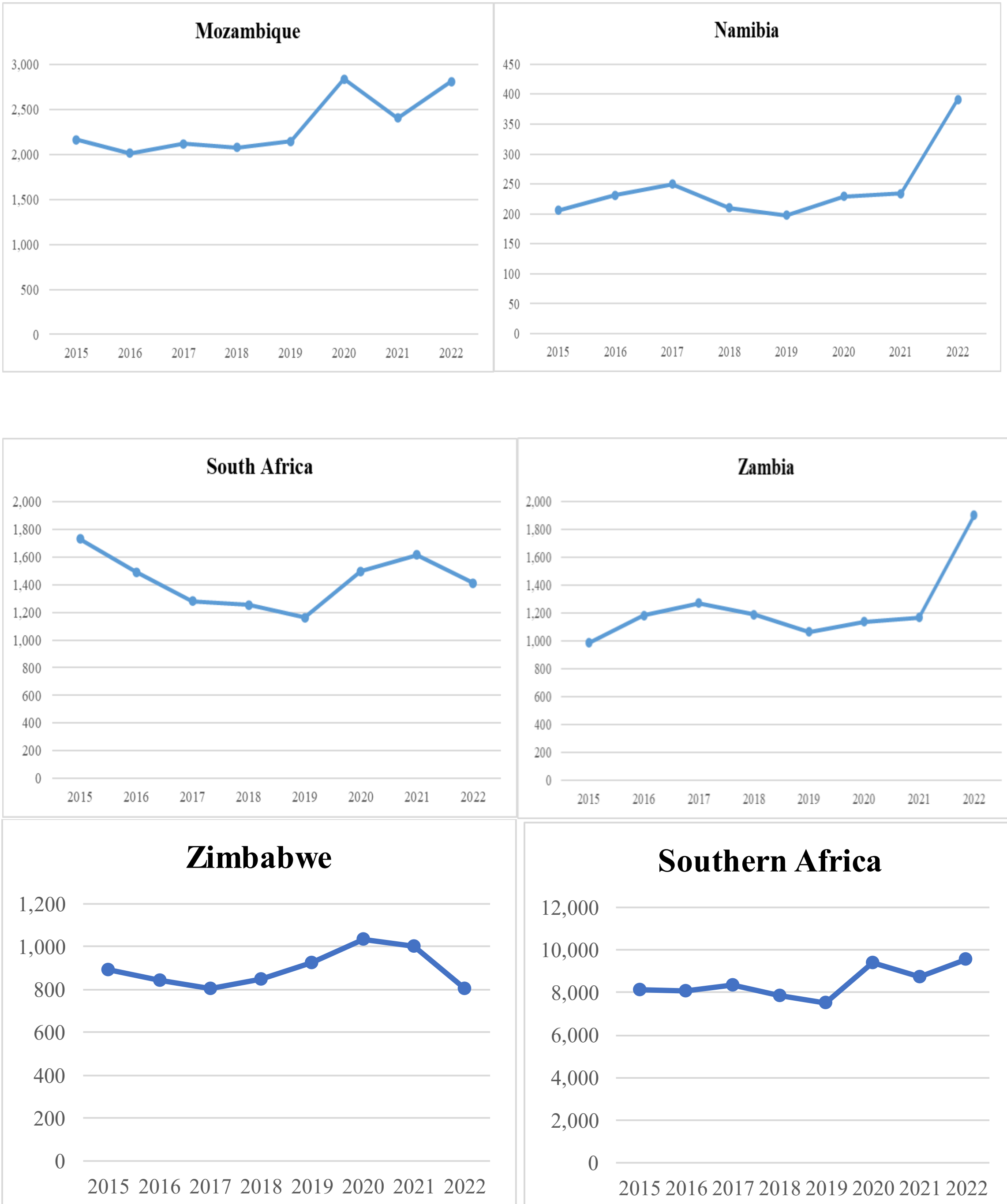
Source: OECD International Development Statistics Online Database.

15. In Southern Africa, total ODA amounted to US$9.5 billion in 2022 compared to US$7.4 billion in 2015, representing 12.1 per cent of Africa's total (see Table A.3 in the Annex). In 2022, while grants represented 71.5 per cent of ODA in Africa, Southern Africa fared better with a higher percentage of 83.5 per cent. Interestingly, South Africa in 2023 (a non-LDC) was the fourth largest recipient of ODA in the region, behind Mozambique (US$2.8 billion), Zambia (US$1.9 billion) and Malawi (US$1.4 billion). Aid allocation has often been criticized for failing to go to the neediest countries and to be determined as well by geopolitical, commercial and strategic factors (Dutta and Williamson, 2019). Comparing 2022 to 2015, ODA in real terms has been falling or remained stagnant in several Southern African countries (Angola, Eswatini, Mauritius, South Africa and Zimbabwe). In the aftermath of FfD4, it is recommended that countries update the costs associated with achieving SDGs in light of climate change impacts and ongoing crises and reconsider the role that ODA should play in their resource mobilization strategies. Calls for

augmenting aid to Africa in the context of climate change and the transitioning towards greener economies should be considered.

Figure 4. ODA in Southern African countries from 2015 to 2022, at constant US$ 2022 prices, in million.





Source: OECD International Development Statistics Online Database.

16. The sectoral allocation of aid matters in promoting economic growth and supporting the strengthening of domestic resource mobilization in the long run. Table A.4 in the Annex details the share of ODA allocated by selected sectors in 2015 and 2022 in the Southern African member states. In Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, Zambia and Zimbabwe, aid has been overwhelmingly allocated to the development of social infrastructure and services such as health and education. Mauritius is a notable exception as it is the only country that allocated its aid mostly to economic infrastructure and services initially and then to the productive

sector, mainly industry by 2022. South Africa allocates its aid to economic infrastructure and services in addition to the social sector. The United Nations Trade and Development (UNCTAD) had advocated for a larger share of aid to be allocated to productive sectors to support structural transformation, including industrial development. Aid allocated to the development of energy has been negligible except in South Africa and Namibia. Countries are urged to allocate a larger portion of their aid towards productive sectors to implement their industrial policies.

17. South-South finance flows to Africa have been on the rise since 2015. Southern Africa has also benefited from rising finance flows from China, India and others. The Chinese Loans to Africa database, housed by Boston University, shows for instance that between 2000 and 2023, Angola received 40 loans totaling US$25.9 billion from China in the energy sector alone, while Zambia raised 9 loans worth US$813.4 million in public administration alone. Mauritius received 7 loans worth US$87.5 million for the Information and Communication Technology sector. Data on total South-South Finance (SSF) flows by country and sector remains sketchy and is an area where progress remains. The development of databases by countries on total SSF would contribute to promote transparency and accountability towards results, enhance efforts at managing debt, support efforts at identifying synergies between North and South development finance flows and allow tracking of resources towards gender equality and women empowerment among others.

Section 3: Trends in International Trade (2015-2023)

18. Paragraph 82 of the AAAA noted that the participation of least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and Africa in world trade in goods and services remains low. It endeavored to significantly increase world trade in a manner consistent with the sustainable development goals, including exports from developing countries, in particular from least developed countries with a view towards doubling their share of global exports by 2020 as stated in the Istanbul Programme of Action. On trade, the AAAA also committed to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO), as well as meaningful trade liberalization.

19. The advent of Covid-19 ushered in years of trade restrictions. As at 2022 however, UNCTAD noted that trade costs directly related to tariffs remained stable at about 2 per cent for developed countries and about 4 per cent for developing countries; that tariff restrictiveness remains substantial in many developing countries, especially in South Asian and African countries; that there is a large number of trade defense measures in force, most of them by developed countries (e.g. USA) and major emerging economies (e.g. India) while trade defence measures are largely absent in Africa (UNCTAD, 2024).

20. Did Southern African countries make significant strides in increasing their participation in global trade in goods and services from 2015 to 2023? The region hosts 5 LDCs, 1 SIDS and 6 LLDCs. Table 4 below shows the evolution of their participation in global trade in goods then services. Comparing 2023 values with 2015, no Southern African country raised its world share of goods exports or of services exports significantly. This calls for increased efforts to improve

trade competitiveness and product complexity in the region through higher levels of economic diversification and accelerated manufacturing development, including opportunities to insert Southern African firms into value-chains. Trade in services is an area that represents further potential gains for the region while at the same time oiling the wheels of industrial development. Effective utilisation of global and regional trade agreements and the AfCFTA should be prioritized. In its publication "*The AfCFTA and trade in services: Opportunities and strategies for Southern Africa*", ECA SRO-SA called on countries to diversify their trade in services, traditionally dominated by travel and tourism, and liberalize the sectors. The report noted that promoting the role of the services sector across Southern Africa and fostering the sector's export diversification would require reviving domestic competition, encouraging Foreign Direct Investment, open markets and pro-competitive reforms (UNECA, 2023).

21. Total merchandise exports in Southern Africa totaled US$191.7 billion in 2023, compared to US$143.9 billion in 2015. Of concern however is that exports of goods in a few countries (Botswana, Lesotho, Malawi, Mauritius) did not rise in 2023, relative to 2015 even in nominal terms (Figure A.5 in Annex), signaling a need to stimulate the development of new sectors.

Table 4. Shares in global exports and imports of goods: Southern Africa (2015-2023)

Exports in Goods	2015	2016	2017	2018	2019	2020	2021	2022	2023
Angola	0.2	0.172	0.195	0.208	0.186	0.125	0.155	0.206	0.16
Botswana	0.038	0.046	0.033	0.034	0.028	0.024	0.033	0.033	0.024
Eswatini	0.011	0.01	0.01	0.009	0.011	0.01	0.009	0.008	0.009
Lesotho	0.006	0.005	0.006	0.006	0.005	0.005	0.004	0.004	0.003
Malawi	0.006	0.006	0.005	0.004	0.005	0.004	0.005	0.004	0.004
Mauritius	0.016	0.015	0.013	0.012	0.012	0.01	0.009	0.01	0.01
Mozambique	0.021	0.021	0.027	0.031	0.025	0.021	0.026	0.033	0.035
Namibia	0.025	0.025	0.029	0.038	0.025	0.022	0.02	0.023	0.023
South Africa	0.489	0.475	0.501	0.481	0.474	0.486	0.554	0.494	0.466
Zambia	0.04	0.04	0.045	0.046	0.037	0.045	0.049	0.047	0.044
Zimbabwe	0.02	0.021	0.02	0.021	0.022	0.025	0.027	0.026	0.03

Imports of Goods	2015	2016	2017	2018	2019	2020	2021	2022	2023
Angola	0.124	0.08	0.08	0.08	0.072	0.052	0.05	0.069	0.067
Botswana	0.043	0.038	0.03	0.032	0.034	0.036	0.037	0.032	0.027
Eswatini	0.008	0.009	0.009	0.009	0.009	0.009	0.009	0.008	0.008
Lesotho	0.012	0.011	0.011	0.011	0.009	0.008	0.008	0.007	0.007
Malawi	0.014	0.014	0.014	0.014	0.015	0.015	0.014	0.006	0.013
Mauritius	0.029	0.029	0.029	0.029	0.029	0.024	0.023	0.026	0.026
Mozambique	0.05	0.032	0.032	0.039	0.04	0.036	0.039	0.057	0.042
Namibia	0.046	0.041	0.038	0.042	0.032	0.028	0.028	0.03	0.03
South Africa	0.626	0.566	0.565	0.575	0.557	0.47	0.505	0.531	0.539
Zambia	0.047	0.045	0.044	0.048	0.037	0.03	0.031	0.035	0.042
Zimbabwe	0.036	0.033	0.028	0.032	0.025	0.032	0.034	0.034	0.038

Source: UNCTADStats.

Table 5. Shares in global exports and imports of services: Southern Africa (2015-2023)

Services Exports	2015	2016	2017	2018	2019	2020	2021	2022	2023
Angola	0.025	0.014	0.018	0.01	0.007	0.001	0.001	0.001	0.001
Botswana	0.018	0.017	0.017	0.015	0.015	0.007	0.007	0.008	0.008
Eswatini	0.001	0.001	0.002	0.001	0.001	0.001	0.001	0.001	0.002
Lesotho	0.001	0.001	0.001	0.001	0	0	0	0	0
Malawi	0.002	0.002	0.004	0.003	0.006	0.008	0.007	0.006	0.006
Mauritius	0.054	0.055	0.055	0.052	0.048	0.025	0.019	0.036	0.04
Mozambique	0.014	0.009	0.012	0.013	0.015	0.015	0.013	0.015	0.013
Namibia	0.017	0.01	0.013	0.012	0.011	0.013	0.011	0.013	0.013
South Africa	0.309	0.293	0.296	0.278	0.25	0.164	0.144	0.173	0.179
Zambia	0.017	0.017	0.016	0.015	0.016	0.011	0.008	0.013	0.012
Zimbabwe	0.008	0.008	0.009	0.008	0.009	0.006	0.004	0.006	0.006

Services Imports	2015	2016	2017	2018	2019	2020	2021	2022	2023
Angola	0.35	0.254	0.256	0.172	0.134	0.112	0.121	0.168	0.117
Botswana	0.023	0.021	0.021	0.021	0.023	0.025	0.02	0.016	0.014
Eswatini	0.004	0.004	0.006	0.004	0.003	0.004	0.004	0.005	0.007
Lesotho	0.006	0.008	0.008	0.008	0.007	0.008	0.007	0.007	0.006
Malawi	0.006	0.005	0.007	0.007	0.008	0.012	0.01	0.01	0.008
Mauritius	0.041	0.041	0.04	0.037	0.034	0.026	0.024	0.03	0.029
Mozambique	0.061	0.063	0.053	0.075	0.046	0.056	0.044	0.039	0.027
Namibia	0.014	0.014	0.011	0.01	0.01	0.015	0.017	0.016	0.027
South Africa	0.318	0.308	0.308	0.289	0.27	0.226	0.234	0.27	0.253
Zambia	0.029	0.028	0.027	0.029	0.025	0.022	0.022	0.028	0.023
Zimbabwe	0.031	0.025	0.021	0.017	0.015	0.015	0.016	0.02	0.019

Source: UNCTADStats.

22. Southern Africa's trade in goods with the world remained to be better diversified to deepen the region's participation in global markets and augment the potential gains from trade. Dependence on primary commodities (see Table A.5 in the Annex) is high in Angola, Botswana, Malawi, Mozambique, Namibia, Zambia and Zimbabwe and in both 2015 and 2023 exceeded the values for Africa and developing economies as a whole. Comparing 2023 to 2015, the share of primary commodities in total goods exports rose in 7 countries. In 2023, the share of manufactured goods in total merchandise exports exceeded 40 per cent only in Eswatini, Lesotho, and Mauritius compared to an average share of 66.3 per cent for developing economies. The implementation of national and regional industrial policies along with trade policies including the AfCFTA has to be prioritized.

Section 4: Trends in Debt and Debt Sustainability in Southern Africa (2015-2022)

23. Paragraph 93 of the AAAA recognizes the necessity for developing countries to borrow internationally to achieve the SDGs but cautions that debt must be prudently managed. It also recognizes the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate. The AAAA also highlighted the following areas of reforms (i) IMF-World Bank debt sustainability analysis to be strengthened in an open, inclusive process with the UN and stakeholders; (ii) provision of assistance by international institutions to debtor countries to improve their debt management capacities; (iii) for debtor countries to improve transparency in debt management; (iv) for debt data to be publicly available and comprehensive on a quarterly basis; (v) to strengthen information-sharing and transparency to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data (vi) for debt restructurings to be timely, orderly, effective, fair and negotiated in good faith and (vii) to encourage the study of new financial instruments for developing countries, experiencing debt distress, such as debt-to-health and debt-to-nature swaps. As of 2024, all these areas remain work in progress.

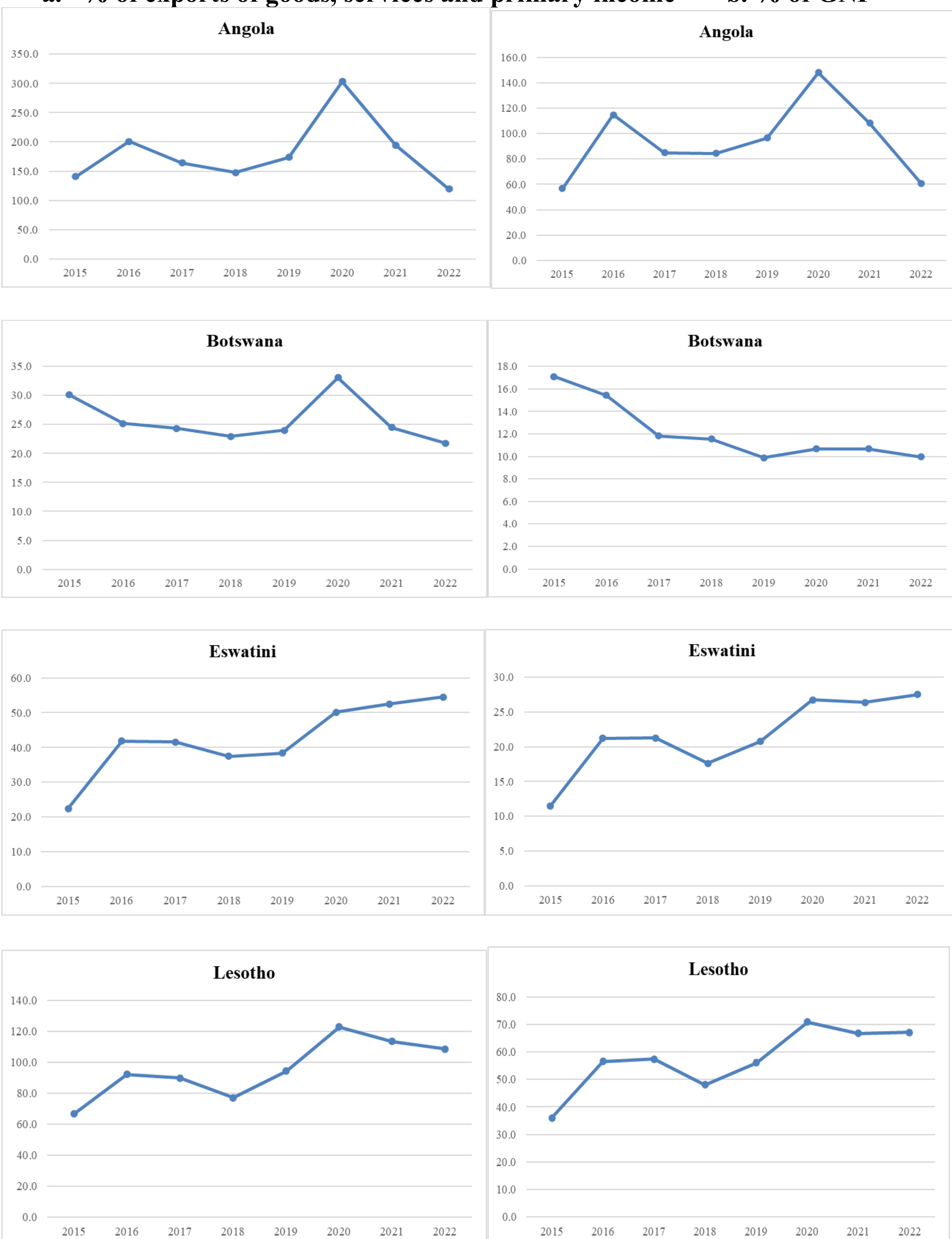
24. With the advent of Covid-19, geopolitical crises and advancing climate change impacts, debt sustainability has been under duress of late and Southern Africa was not spared. UNCTAD noted in a recent report that global public debt has reached a record high of US$97 trillion in 2023, with public debt in developing countries accounting for less than one third of the total at US$29 trillion, but grew twice as fast as debt in developed economies since 2010. The costs of debt servicing on developing economies and its related crowding out on social expenditures (health and education) was highlighted. 54 developing countries, mostly in Africa, spent at least 10 per cent of their revenues on debt interest payments (UNCTAD, 2024).

25. In Southern Africa, Malawi, Zambia and Zimbabwe are currently in debt distress. A country's public debt is considered sustainable if the government can meet all its current and future payment obligations without exceptional financial assistance or going into default. Unsustainable debt can lead to debt distress—where a country is unable to fulfill its financial obligations and debt restructuring is required. Defaults can cause borrowing countries to lose market access and suffer higher borrowing costs, in addition to harming growth and investment (Hakura, 2020). From 2015 to 2022, external debt as a percentage of GNI exceeded 100 per cent in countries such as Mauritius, Mozambique and Zambia (Figure 5). An important indicator of debt-carrying capacity, and debt sustainability therefore is external debt as a percentage of exports. In 2022, this indicator ran high (above 100 per cent) in all countries except Botswana and Eswatini. Debt is becoming less sustainable in the region and calls for increased attention on strengthening debt management capacities and developing alternative sources of finance.

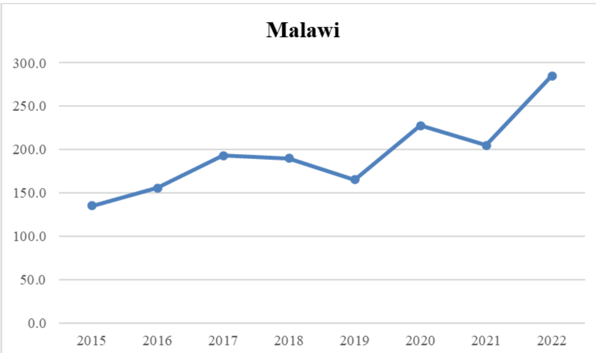
26. Box 2 showcases Zambia and its challenges at debt restructuring. Ongoing calls to reform the global financial architecture, lower borrowing costs for developing countries by reducing biases in credit ratings, strengthen debt work-out mechanisms and introduce contingency clauses in debt contracts, in light of climate-change related and other crises, should find support among Southern African member states. Countries should also increase transparency in debt data and establish clear debt management strategies.

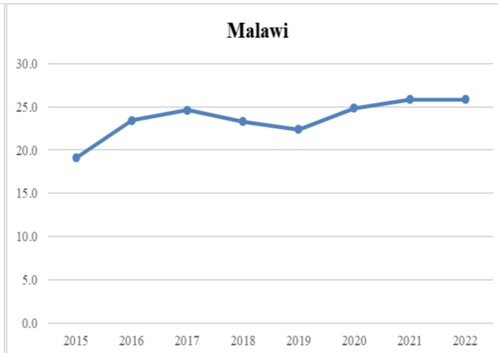
Figure 5. External Debt Stocks in Southern Africa (2015-2022).

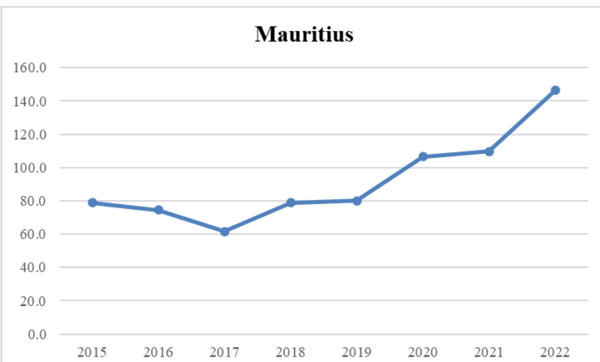
a. % of exports of goods, services and primary income **b. % of GNI**

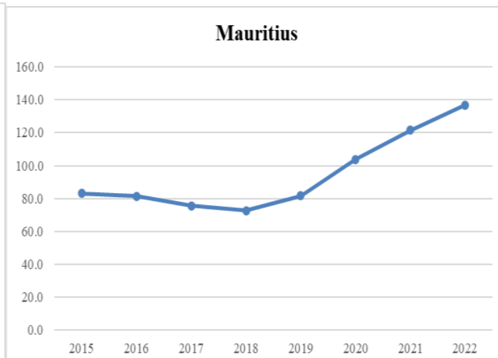


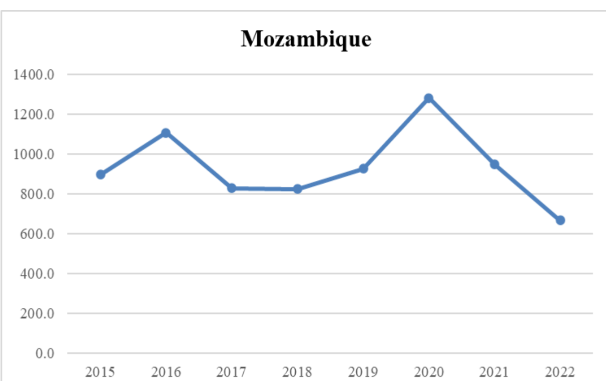
a. % of exports of goods, services and primary income **b. % of GNI**

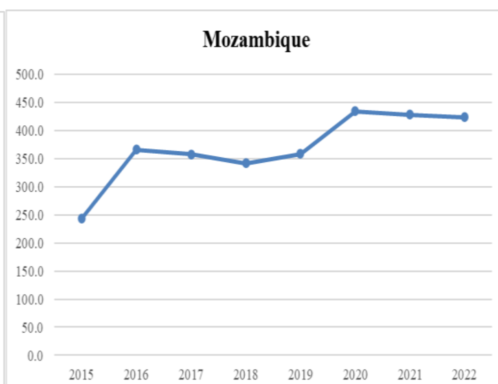


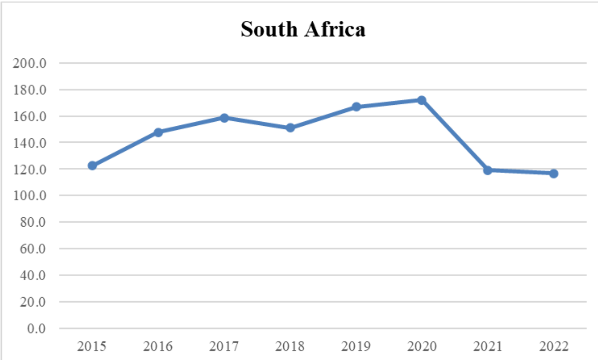


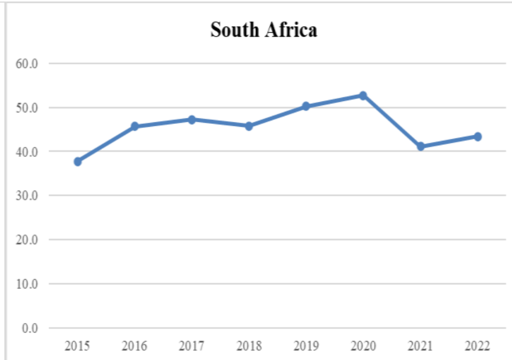




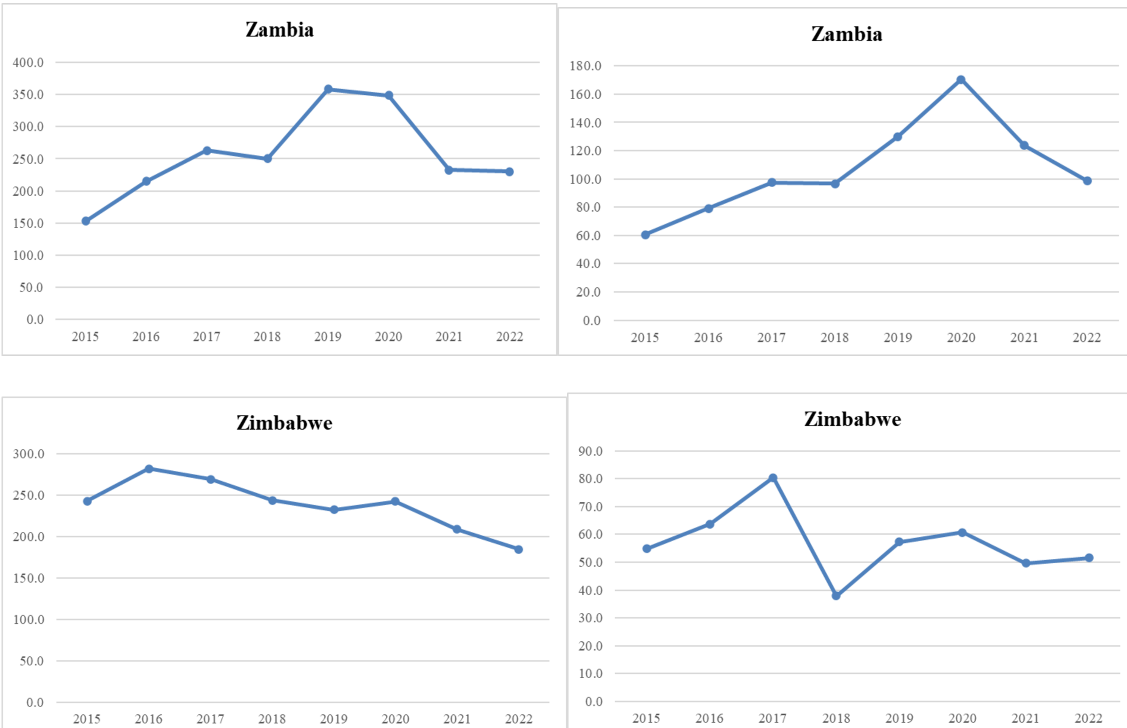





South Africa
200.0
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
0.0
2015
2016
2017
2018
2019
2020
2021
2022


South Africa
60.0
50.0
40.0
30.0
20.0
10.0
0.0
2015
2016
2017
2018
2019
2020
2021
2022

a. % of exports of goods, services and primary income b. % of GNI



Source: World Bank International Debt Statistics database. Note: Data not listed for Namibia.

For instance in Namibia, the Cash and Debt Management Directorate (CDMD) in the Ministry of Finance is moving from utilizing the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS 2000+) to use the Meridian system, which maintains records of foreign debt by maturity, by type of debt holder (bilateral, multilateral, commercial bank, export credit), and by type of debt instrument in order to strengthen debt management.

27. In addition countries should implement their industrial and trade policies to narrow their current account deficits, contributing to reduce demand for debt while diversifying their sources of borrowing by tapping into new innovative financing instruments such as leveraging pensions funds and issuing climate-related bonds and developing regional capital markets.

28. Finally, the UN Secretary General has called for reforms to the global financial architecture in policy brief 6 of May 2023. The UN advocates for greater use of IMF Special Drawing Rights to ease fiscal space of countries, including delinking IMF quotas and voting rights from resources, taking into account countries' incomes and vulnerabilities, improve debt contracts by inserting State-contingent clauses and increased lending in local currency to reduce exposure to currency risks.

Box 2. Debt in Malawi.

Malawi's debt has nearly doubled in the last decade in both levels (current or constant prices) and percentage terms. Total external debt stocks in current US dollar prices have increased from US$1.7 billion in 2015 to US$3.3 billion in 2022, driven by increasing short-term debt over the years amounting to US$12.7 million (equivalent to 0.7 per cent of total external debt) in 2015 to US$90.7 million (equivalent to 2.7 per cent of total external debt) in 2022. Total debt as a percentage of exports has burgeoned from 135.2 per cent in 2015 to 285.3 per cent in 2022 above the IMF's and World Bank's Debt Sustainability Analysis (DSA) threshold of 140 per cent while debt service as a proportion of exports doubled from 5.5 per cent in 2015 to 11.6 per cent in 2022 above the 10 per cent DSA threshold. External debt as a percentage of Gross National Income (GNI) has been on an upward trajectory from 19.1 per cent in 2015 to 25.8 per cent in 2022 even after the Multilateral Debt Relief Initiative for Heavily Indebted Poor Countries (HIPC) in 2006. The exponential growth rate of debt, driven by increases in both external and domestic debt, is increasingly reducing fiscal space for development spending and risks crowding out private sector investment: public debt service consumes a larger share of the budget than any other vote, absorbing over 24.3 per cent of total government expenditure (6 per cent of GDP) in 2023/24. The rising cost of domestic financing and borrowing from regional development banks on a non-concessional basis have also significantly increased Malawi's public debt doubling from 31 per cent of GDP in 2013 to 62 per cent of GDP in 2021 – above the IMF's debt sustainability level of 60 per cent of GDP; and to 91.3 per cent in 2023 from 75.7 per cent in 2022. Public and publicly guaranteed debt remain in distress and is unsustainable, requiring timely and substantial debt restructuring: public debt service payments have increased further due to devaluation.

Aside from debt restructuring**,** including support under the Sustainable Debt Coalition Initiative, policy options to strengthen debt sustainability and reduce dependence on debt include, inter alia:

- Developing the domestic debt market to improve its depth, liquidity and efficiency, including non-traditional avenues e.g. pension funds which forms the smallest component of Malawi's debt portfolio.
- Given that Malawi's long-term external debt stocks is dominated by public and publicly guaranteed debt, there is also scope to utilize private nonguaranteed debt, for example, in the form of bonds. Green and blue bonds, in addition to existing infrastructure bonds, may be particularly relevant given climate imperatives in the country Further, intentionality about connecting funding for immediate humanitarian response and disaster recovery, with more long-term development needs.
- Finally, confining foreign debt to concessional debt and grant financing in the short- to medium-term while reviewing domestic debt profiles towards longer maturity periods may help ameliorate current constraints.

Box 3. Debt in Zambia.

As a percentage of gross national income (GNI), external debt rose from 60.6 per cent in 2015 to 170.4 per cent in 2020 before falling to 123.8 per cent and 98.4 per cent in 2021 and 2022, respectively. The soaring external debt has been largely attributed to borrowing for infrastructure projects. Total debt service as a percentage of exports mainly recorded an upward trend since 2016, rising from 7.3 per cent of GDP in 2015 to 33.3 per cent of GDP in 2019. The Government and bondholders reached an agreement in March 2024 on the terms for restructuring Zambia's Eurobonds. This followed the agreement Zambia reached in 2023 with official bilateral creditors. To finalize the debt restructuring process, other commercial creditors had to also agree to restructure debt on terms that are comparable to those offered by bondholders and official bilateral creditors (World Bank, 2024). In June 2024, its international bondholders voted through their part of a US$13.4 billion debt restructuring and made Zambia, a test case of the G20 Framework mechanism. the first to complete a full-blown rework under Framework. The debt resolution process has taken close to 4 years and raised concerns about the process from other indebted countries. Criticism has abounded over the G20 Common Framework. Officials and creditors in all three countries (Ethiopia, Ghana and Zambia) have complained about a lack of transparency in the process. The overall restructuring is estimated to cut around US$900 million dollars from Zambia's debt and spread its future payments over a much longer time frame (Reuters, 2024).

Section 5: Key recommendations

Key recommendations ahead of the FfD4 for Southern African member states to consider are listed as below:

(i) Call for the outcome document of the Ffd4 to build on the AAAA as several focus areas are still work in progress. The G77 and China in a statement stressed the need for FfD4 to build on outcomes of previous conferences;

(ii) Continue to pursue reforms to strengthen domestic public resources, especially enhancing non-tax revenues and making the tax system more progressive by taxing the wealthy and real property more effectively;

(iii) Foster multi-stakeholder partnerships to continue to combat tax avoidance and evasion, combat Base Erosion and Profit Shifting (BEPS) practices by multinational companies and reduce illicit financial flows by for example adhering to the OECD BEPS Action Plan while promoting beneficial ownership information on legal entities;

(iv) Reassess costs of financing SDGs in light of recent polycrises and define the role that ODA should play in the development financing strategies of their economies, while calling for ODA to Africa and Southern Africa not to fall due to ongoing conflicts elsewhere.

(v) Advocate for ODA to consist of higher levels of grants while calling for a greater strategic utilisation of ODA within triangular cooperation agreements that blends North and South finance;

(vi) Improve transparency in receipt of development finance flows from Southern countries such as the People's Republic of China and publish in a transparent way data on debt from all donors and by sectors;

(vii) Support the UNSG's call for reforms to the international financial architecture as outlined in his Policy Brief #6 (https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-international-finance-architecture-en.pdf);

(viii) Step up efforts to improve trade competitiveness and enhance product complexity in the region through higher levels of economic diversification and accelerated manufacturing development, while fostering opportunities to insert Southern African firms into value-chains and fastracking implementation of the AfCFTA;

(ix) Develop innovative financing instruments or alternative financial sources to reduce dependence on debt such as development of regional capital markets while strengthening debt management capacities;

(x) Implement trade and industrial policies to support structural transformation to foster economic and export diversification to narrow down current account deficits and reduce dependence on debt financing.

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Annex

Table A.1: Central Government Revenues and Expenditures as a Percentage of GDP (2015-2024)

Country Name	Indicator Name	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Angola	Expenditure (% of GDP)	27.051	22.043	24.103	20.579	20.403	23.277	19.477	22.547	20.120	18.108
	Revenue (% of GDP)	24.134	17.523	17.516	22.866	21.179	21.345	23.307	23.222	20.019	20.833
	Deficit in revenue	*-2.917*	*-4.520*	*-6.586*	*2.287*	*0.776*	*-1.931*	*3.830*	*0.675*	*-0.101*	*2.726*
Botswana	Expenditure (% of GDP)	39.701	34.227	35.040	35.891	36.423	38.495	33.059	29.433	29.668	33.095
	Revenue (% of GDP)	34.639	34.943	33.885	30.818	27.992	27.048	30.567	29.474	29.055	29.387
	Deficit in revenue	*-5.062*	*0.717*	*-1.155*	*-5.073*	*-8.431*	*-11.448*	*-2.492*	*0.040*	*-0.613*	*-3.708*
Eswatini	Expenditure (% of GDP)	34.346	34.636	35.538	35.043	34.092	34.029	29.673	28.581	29.427	28.834
	Revenue (% of GDP)	28.181	25.537	28.600	25.384	27.389	29.410	25.081	24.673	28.264	27.953
	Deficit in revenue	*-6.165*	*-9.099*	*-6.938*	*-9.658*	*-6.703*	*-4.619*	*-4.592*	*-3.908*	*-1.163*	*-0.882*
Lesotho	Expenditure (% of GDP)	51.749	54.113	50.440	51.916	53.515	54.436	54.177	48.846	49.359	49.664
	Revenue (% of GDP)	50.471	44.718	48.391	47.388	47.785	54.426	48.792	43.643	52.484	52.414
	Deficit in revenue	*-1.277*	*-9.395*	*-2.049*	*-4.528*	*-5.730*	*-0.010*	*-5.385*	*-5.204*	*3.126*	*2.750*
Malawi	Expenditure (% of GDP)	19.521	19.746	20.992	19.381	19.314	22.729	23.650	26.699	25.512	24.285
	Revenue (% of GDP)	15.352	14.844	15.842	15.036	14.765	14.546	15.042	17.344	17.960	17.709
	Deficit in revenue	*-4.169*	*-4.902*	*-5.150*	*-4.346*	*-4.549*	*-8.183*	*-8.607*	*-9.355*	*-7.552*	*-6.576*
Mauritius	Expenditure (% of GDP)	24.456	23.966	24.252	24.319	27.817	32.615	30.810	29.236	29.022	28.005
	Revenue (% of GDP)	20.870	21.154	22.592	22.131	20.283	21.991	26.366	25.932	25.592	24.172
	Deficit in revenue	*-3.587*	*-2.812*	*-1.660*	*-2.188*	*-7.534*	*-10.624*	*-4.443*	*-3.304*	*-3.429*	*-3.833*
Mozambique	Expenditure (% of GDP)	32.166	28.724	28.966	30.987	27.998	32.222	30.765	33.634	30.645	30.021
	Revenue (% of GDP)	25.611	23.660	26.980	25.466	29.708	27.666	26.890	28.396	27.971	26.694
	Deficit in revenue	*-6.555*	*-5.064*	*-1.986*	*-5.522*	*1.710*	*-4.556*	*-3.876*	*-5.238*	*-2.674*	*-3.327*
Namibia	Expenditure (% of GDP)	43.674	41.762	38.093	36.330	37.415	41.477	39.193	36.145	37.254	36.679
	Revenue (% of GDP)	35.372	32.459	33.099	31.236	31.923	33.407	30.472	30.114	33.572	34.540
	Deficit in revenue	*-8.301*	*-9.303*	*-4.994*	*-5.094*	*-5.491*	*-8.070*	*-8.721*	*-6.031*	*-3.682*	*-2.139*
South Africa	Expenditure (% of GDP)	30.164	29.909	29.860	30.152	31.394	34.583	32.602	32.010	32.909	33.221
	Revenue (% of GDP)	25.790	26.184	25.844	26.420	26.698	24.971	27.068	27.736	26.957	27.074
	Deficit in revenue	*-4.374*	*-3.725*	*-4.016*	*-3.732*	*-4.696*	*-9.612*	*-5.534*	*-4.273*	*-5.951*	*-6.147*
Zambia	Expenditure (% of GDP)	27.648	23.928	24.974	27.733	29.820	34.031	30.504	28.203	27.740	27.366
	Revenue (% of GDP)	18.770	18.237	17.475	19.424	20.413	20.268	22.369	20.383	20.940	21.224
	Deficit in revenue	*-8.878*	*-5.691*	*-7.499*	*-8.309*	*-9.407*	*-13.762*	*-8.135*	*-7.821*	*-6.801*	*-6.142*
Zimbabwe	Expenditure (% of GDP)	20.519	23.657	27.870	20.226	11.707	12.524	17.509	22.618	24.298	26.419
	Revenue (% of GDP)	18.714	17.038	17.554	14.815	10.826	13.275	15.348	16.599	16.456	16.489
	Deficit in revenue	*-1.804*	*-6.619*	*-10.316*	*-5.411*	*-0.881*	*0.752*	*-2.161*	*-6.019*	*-7.842*	*-9.930*

Source: IMF (2024).

Table A.2: Shares in Government Revenues broken down by source (2015-2024)

Angola

	2015	2016	2017	2018	2019
Taxes (% of revenues)	58.6	61.9	56.4	43.9	46.3
Taxes on income, profits and capital gains (% of tax)	*68.7*	*68.5*	*69.9*	*74.7*	*75.1*
Social contributions (% of revenues)	5.8	6.1	5.0	3.4	4.7
Grants (% of revenues)	0.0	0.0	0.0	0.0	0.0
Other revenue (% of revenues)	35.7	32.0	38.6	52.7	49.0

Botswana

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	74.3	62.0	70.8	70.7	70.0	77.4	67.6	66.7
Taxes on income, profits and capital gains (% of tax)	*38.3*	*47.2*	*34.5*	*39.9*	*40.4*	*35.2*	*44.2*	*51.1*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	0.3	0.3	0.7	0.1	0.1	0.1	0.1	0.0
Other revenue (% of revenues)	25.4	37.7	28.5	29.2	29.9	22.5	32.3	33.3

Eswatini

	2015	2016	2017	2018	2019	2020	2021
Taxes (% of revenues)	93.6	91.3	93.1	95.2	92.1	98.1	96.2
Taxes on income, profits and capital gains (% of tax)	*28.0*	*34.7*	*31.0*	*34.8*	*34.7*	*30.2*	*35.7*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	2.3	3.5	3.2	2.9	3.1	1.2	0.9
Other revenue (% of revenues)	4.1	5.2	3.7	1.9	4.8	0.7	2.9

Lesotho

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	66.4	64.8	66.5	66.8	68.3	65.3	61.9	63.4
Taxes on income, profits and capital gains (% of tax)	*35.8*	*40.9*	*35.2*	*38.1*	*36.0*	*30.6*	*36.0*	*36.7*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	23.0	21.6	22.7	22.3	22.8	24.9	27.0	25.1
Other revenue (% of revenues)	10.6	13.6	10.7	10.9	8.9	9.8	11.1	11.5

Malawi

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	79.6	79.0	79.5	87.5	87.1	84.6	82.2	76.0
Taxes on income, profits and capital gains (% of tax)	*48.7*	*48.4*	*48.5*	*48.0*	*46.7*	*47.3*	*46.7*	*47.0*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	13.0	17.1	14.8	7.0	9.6	10.0	12.8	20.4
Other revenue (% of revenues)	7.4	3.9	5.7	5.6	3.2	5.4	5.0	3.6

Mauritius

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	91.8	90.7	90.6	89.9	85.4	85.6	86.8	89.2
Taxes on income, profits and capital gains (% of tax)	*17.8*	*21.1*	*19.9*	*22.1*	*29.2*	*25.3*	*23.0*	*22.5*
Social contributions (% of revenues)	0.5	0.5	0.5	0.4	0.0	0.0	0.0	0.0
Grants (% of revenues)	1.2	1.3	0.8	0.9	4.5	5.8	5.3	3.3
Other revenue (% of revenues)	6.4	7.5	8.2	8.9	10.0	8.6	7.9	7.5

Mozambique

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	74.3	86.0	85.5	84.9	90.0	81.0	82.7	79.4
Taxes on income, profits and capital gains (% of tax)	*44.6*	*41.6*	*51.8*	*46.9*	*55.9*	*46.7*	*42.0*	*47.0*
Social contributions (% of revenues)	2.0	1.9	2.5	3.2	0.2	0.2	0.3	0.2
Grants (% of revenues)	10.7	8.4	7.5	7.8	3.9	14.6	8.7	13.9
Other revenue (% of revenues)	13.1	3.8	4.5	4.1	6.0	4.1	8.3	6.5

Namibia

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	93.5	95.5	95.8	94.0	94.1	94.0	92.9	86.8
Taxes on income, profits and capital gains (% of tax)	*38.9*	*41.6*	*39.6*	*40.6*	*39.6*	*39.8*	*43.6*	*44.2*
Social contributions (% of revenues)	..	0.8	0.7	0.8	0.7	0.8	0.9	0.8
Grants (% of revenues)	0.3	0.0	0.0	0.1	0.2	0.5	0.0	0.0
Other revenue (% of revenues)	6.2	3.7	3.5	5.1	5.0	4.7	6.2	12.4

South Africa

	2015	2016	2017	2018	2019	2020	2021	2022
Taxes (% of revenues)	94.8	97.0	98.0	98.1	97.5	95.6	97.1	96.5
Taxes on income, profits and capital gains (% of tax)	*56.8*	*58.2*	*58.5*	*57.4*	*57.1*	*57.6*	*58.4*	*58.7*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Other revenue (% of revenues)	5.0	2.8	1.9	1.8	2.4	4.3	2.8	3.4

Zambia

	2015	2016	2017	2018	2019	2020	2021
Taxes (% of revenues)	72.5	67.4	76.8	81.2	80.4	77.2	68.8
Taxes on income, profits and capital gains (% of tax)	*46.3*	*50.5*	*43.1*	*44.3*	*46.3*	*52.9*	*56.7*
Social contributions (% of revenues)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants (% of revenues)	7.9	8.5	14.8	4.9	5.5	7.9	9.9
Other revenue (% of revenues)	19.6	24.1	8.4	13.8	14.1	14.9	21.3

Zimbabwe

	2015	2016	2017	2018
Taxes (% of revenues)	93.0	89.9	91.7	88.9
Taxes on income, profits and capital gains (% of tax)	*36.7*	*36.3*	*35.6*	*37.5*
Social contributions (% of revenues)	0.1	3.9	3.3	2.8
Grants (% of revenues)	0.0	0.0	0.0	0.0
Other revenue (% of revenues)	6.9	6.2	5.0	8.3

Source: IMF Government Financial Statistics (accessed via the IMF Data Portal). Note: Social contributions include social security contributions by employees, employers, and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments (IMF).

Table A.3: ODA at current prices in million (2015-2023): Africa and Southern Africa

Time period		2015	2016	2017	2018	2019	2020	2021	2022	2023
Recipient										
Measure: Official Development Assistance										
Malawi		1,106	1,287	1,575	1,350	1,216	1,524	1,229	1,450	16
Mauritius		121	83	58	125	85	424	361	134	1
Mozambique		1,959	1,811	1,946	1,976	2,013	2,723	2,441	2,813	27
Zambia		884	1,053	1,138	1,101	996	1,078	1,174	1,904	10
Zimbabwe		815	753	730	802	862	994	1,010	805	8
Angola		453	282	297	246	224	186	307	235	7
Botswana		81	101	112	95	87	96	113	102	2
Eswatini		105	159	158	131	91	120	141	116	2
Lesotho		107	137	175	188	171	212	216	193	4
Namibia		180	205	228	199	188	219	238	391	2
South Africa		1,545	1,314	1,138	1,158	1,086	1,405	1,619	1,411	3
Southern Africa		**7,358**	**7,187**	**7,556**	**7,370**	**7,018**	**8,982**	**8,849**	**9,553**	**83**
Africa		**56,288**	**56,487**	**60,785**	**62,226**	**64,614**	**81,375**	**84,761**	**78,851**	**611**
Measure: ODA Grants										
Malawi		942	1,086	1,301	1,112	1,076	1,139	1,041	1,148	16
Mauritius		54	52	38	58	63	46	61	46	1
Mozambique		1,323	1,400	1,555	1,575	1,562	2,165	2,259	2,664	27
Zambia		697	791	968	894	762	842	934	867	10
Zimbabwe		815	753	728	793	861	988	1,001	799	8
Angola		164	198	201	189	179	166	279	199	7
Botswana		80	97	105	86	78	88	102	82	2
Eswatini		98	133	153	111	88	110	119	111	2
Lesotho		78	112	133	144	123	156	156	143	4
Namibia		153	172	192	180	135	190	200	225	2
South Africa		809	892	970	940	727	1,144	1,238	981	3
Southern Africa		**5,211**	**5,686**	**6,344**	**6,083**	**5,653**	**7,035**	**7,391**	**7,265**	**83**
Africa		**39,197**	**39,767**	**44,035**	**43,767**	**44,839**	**52,940**	**60,635**	**56,061**	**611**

Source: OECD International Development Statistics Online Database.

Table A.4. Composition of ODA in Southern Africa by sector: 2022 v/s 2015

Angola

	2015	2022	2015	2022
	Current US$ (mil.)		Share of total allocable	
All allocable ODA	318.7	146.2		
Sector: Social infrastructure and services	103.3	97.5	32.4	66.7
Sector: Economic infrastructure and services	196.5	1.6	61.7	1.1
Sector: Production sectors	4.2	12.4	1.3	8.5
Sector: Education	23.9	16.7	7.5	11.4
Sector: Health	32.8	36.8	10.3	25.2
Sector: Energy	196.4	0.6	61.6	0.4
Sector: Industry	0.3	0.2	0.1	0.1

Botswana

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	60.5	67.5		
Sector: Social infrastructure and services	54.0	55.9	89.2	82.7
Sector: Economic infrastructure and services	1.4	5.9	2.3	8.7
Sector: Production sectors	2.1	1.5	3.4	2.2
Sector: Education	1.8	2.3	3.0	3.3
Sector: Health	3.8	13.4	6.3	19.9
Sector: Energy	n.a.	0.1	n.a.	0.1
Sector: Industry	0.1	0.0	0.1	0.0

Eswatini

	2015	2022	2015	2022
	Current US$ (mil.)		Share of total allocable	
All allocable ODA	39.6	76.1		
Sector: Social infrastructure and services	38.0	74.8	95.9	98.3
Sector: Economic infrastructure and services	0.1	0.1	0.3	0.2
Sector: Production sectors	0.5	0.2	1.3	0.3
Sector: Education	3.0	1.7	7.5	2.2
Sector: Health	0.1	14.9	0.4	19.6
Sector: Energy	0.0	0.1	0.1	0.0
Sector: Industry	0.0	0.0	0.1	0.0

Lesotho

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	34.7	76.7		
Sector: Social infrastructure and services	32.5	74.6	93.4	97.3
Sector: Economic infrastructure and services	0.3	1.4	0.8	1.9
Sector: Production sectors	0.7	0.3	2.0	0.4
Sector: Education	2.2	1.7	6.2	2.3
Sector: Health	0.6	10.1	1.6	13.2
Sector: Energy	n.a.	1.4	n.a.	1.8
Sector: Industry	0.1	0.0	0.2	0.0

Malawi

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	502.5	521.6		
Sector: Social infrastructure and services	336.0	426.7	66.9	81.8
Sector: Economic infrastructure and services	42.9	9.7	8.5	1.9
Sector: Production sectors	92.1	53.0	18.3	10.2
Sector: Education	57.7	76.2	11.5	14.6
Sector: Health	106.9	94.5	21.3	18.1
Sector: Energy	31.6	4.2	6.3	0.8
Sector: Industry	1.2	1.2	0.2	0.2

Mauritius

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	61.1	78.5		
Sector: Social infrastructure and services	13.6	22.7	22.3	28.9
Sector: Economic infrastructure and services	29.8	0.8	48.7	1.1
Sector: Production sectors	16.6	52.4	27.1	66.8
Sector: Education	10.5	12.5	17.2	15.9
Sector: Health	0.1	5.9	0.1	7.6
Sector: Energy	n.a.	0.3	n.a.	0.3
Sector: Industry	15.8	51.8	25.8	66.0

Mozambique

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	983.0	1,146.6		
Sector: Social infrastructure and services	644.0	895.6	65.5	78.1
Sector: Economic infrastructure and services	159.2	125.8	16.2	11.0
Sector: Production sectors	109.6	64.0	11.1	5.6
Sector: Education	91.9	123.0	9.4	10.7
Sector: Health	151.6	203.5	15.4	17.7
Sector: Energy	84.7	46.8	8.6	4.1
Sector: Industry	17.5	3.7	1.8	0.3

Namibia

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	137.0	184.1		
Sector: Social infrastructure and services	72.9	110.9	53.2	60.2
Sector: Economic infrastructure and services	37.7	34.5	27.5	18.8
Sector: Production sectors	11.1	8.8	8.1	4.8
Sector: Education	10.0	11.4	7.3	6.2
Sector: Health	5.7	12.9	4.2	7.0
Sector: Energy	27.9	26.8	20.3	14.6
Sector: Industry	0.6	1.6	0.4	0.8

South Africa

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	1,058.2	1,123.5		
Sector: Social infrastructure and services	426.3	643.6	40.3	57.3
Sector: Economic infrastructure and services	378.8	423.4	35.8	37.7
Sector: Production sectors	29.9	25.0	2.8	2.2
Sector: Education	38.7	33.4	3.7	3.0
Sector: Health	16.2	92.9	1.5	8.3
Sector: Energy	242.5	365.7	22.9	32.5
Sector: Industry	6.7	6.0	0.6	0.5

Zambia

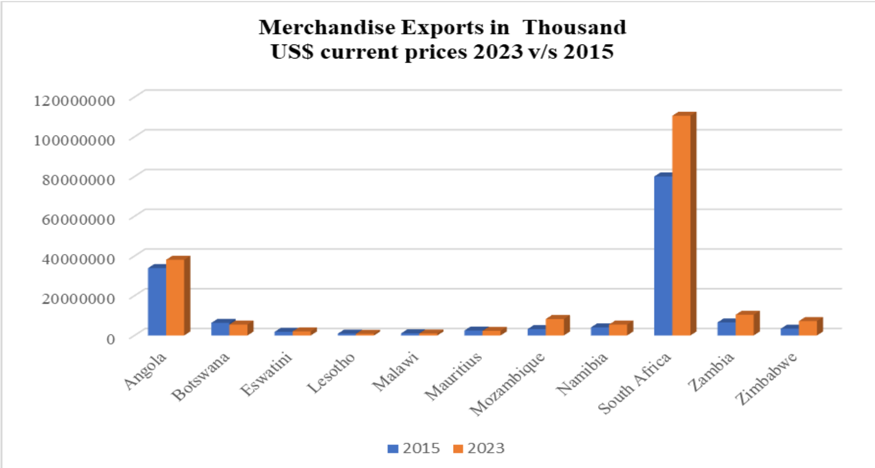
	Current US$ (mil.)		Share of total allocable	
All allocable ODA	562.5	627.9		
Sector: Social infrastructure and services	424.3	555.2	75.4	88.4
Sector: Economic infrastructure and services	59.3	23.0	10.5	3.7
Sector: Production sectors	59.7	32.8	10.6	5.2
Sector: Education	32.1	26.1	5.7	4.2
Sector: Health	69.6	166.9	12.4	26.6
Sector: Energy	29.6	10.8	5.3	1.7
Sector: Industry	5.8	2.3	1.0	0.4

Zimbabwe

	Current US$ (mil.)		Share of total allocable	
All allocable ODA	379.5	386.4		
Sector: Social infrastructure and services	314.6	335.6	82.9	86.9
Sector: Economic infrastructure and services	5.0	6.1	1.3	1.6
Sector: Production sectors	41.9	25.3	11.0	6.5
Sector: Education	36.7	20.6	9.7	5.3
Sector: Health	13.5	75.0	3.6	19.4
Sector: Energy	0.0	2.2	0.0	0.6
Sector: Industry	6.0	3.0	1.6	0.8

Source: OECD International Development Statistics Online Database.

Figure A.5. Exports in Goods in Southern Africa: 2023 v/s 2015



Source: UNCTADStats.

Table A.5. Composition of Exports in Goods in Southern Africa: 2023 v/s 2015

Economy	Unit	Sector	2015	2023
Angola	Thousand US$ current prices	TOTAL ALL PRODUCTS	33924937	38088800
	Share of total all products	Primary commodities, precious stones and non-monetary gold	98.1	97.9
	Share of total all products	All food items	0.3	0.3
	Share of total all products	Manufactured goods	1.4	2.0
Botswana	Thousand US$ current prices	TOTAL ALL PRODUCTS	6329747	5502717
	Share of total all products	Primary commodities, precious stones and non-monetary gold	92.4	93.2
	Share of total all products	All food items	2.5	1.7
	Share of total all products	Manufactured goods	1.4	1.0
Eswatini	Thousand US$ current prices	TOTAL ALL PRODUCTS	1820498	2029497
	Share of total all products	Primary commodities, precious stones and non-monetary gold	33.5	40.2
	Share of total all products	All food items	26.8	27.7
	Share of total all products	Manufactured goods	66.0	59.6
Lesotho	Thousand US$ current prices	TOTAL ALL PRODUCTS	928612	829876
	Share of total all products	Primary commodities, precious stones and non-monetary gold	45.8	44.9
	Share of total all products	All food items	5.6	6.9
	Share of total all products	Manufactured goods	54.1	54.9
Malawi	Thousand US$ current prices	TOTAL ALL PRODUCTS	1071728	965509
	Share of total all products	Primary commodities, precious stones and non-monetary gold	85.2	91.8
	Share of total all products	All food items	81.1	89.5
	Share of total all products	Manufactured goods	14.8	8.2
Mauritius	Thousand US$ current prices	TOTAL ALL PRODUCTS	2481093	2295400
	Share of total all products	Primary commodities, precious stones and non-monetary gold	44.4	50.5
	Share of total all products	All food items	26.9	37.8
	Share of total all products	Manufactured goods	54.7	49.1
Mozambique	Thousand US$ current prices	TOTAL ALL PRODUCTS	3230744	8275973
	Share of total all products	Primary commodities, precious stones and non-monetary gold	95.0	96.1
	Share of total all products	All food items	18.8	12.1
	Share of total all products	Manufactured goods	4.7	3.8
Namibia	Thousand US$ current prices	TOTAL ALL PRODUCTS	4067071	5488030
	Share of total all products	Primary commodities, precious stones and non-monetary gold	86.3	83.7
	Share of total all products	All food items	25.5	23.3
	Share of total all products	Manufactured goods	13.5	15.6
South Africa	Thousand US$ current prices	TOTAL ALL PRODUCTS	80035690	110607524
	Share of total all products	Primary commodities, precious stones and non-monetary gold	54.1	61.0
	Share of total all products	All food items	10.6	11.7
	Share of total all products	Manufactured goods	45.6	38.7
Zambia	Thousand US$ current prices	TOTAL ALL PRODUCTS	6565143	10431184
	Share of total all products	Primary commodities, precious stones and non-monetary gold	88.9	88.6
	Share of total all products	All food items	10.5	9.8
	Share of total all products	Manufactured goods	11.0	11.3
Zimbabwe	Thousand US$ current prices	TOTAL ALL PRODUCTS	3410659	7225586
	Share of total all products	Primary commodities, precious stones and non-monetary gold	85.8	90.6
	Share of total all products	All food items	42.5	23.3
	Share of total all products	Manufactured goods	14.1	8.4
Developing economies	Thousand US$ current prices	TOTAL ALL PRODUCTS	6983350884	10481260140
	Share of total all products	Primary commodities, precious stones and non-monetary gold	31.1	32.1
	Share of total all products	All food items	7.9	8.4
	Share of total all products	Manufactured goods	68.0	66.3
Africa	Thousand US$ current prices	TOTAL ALL PRODUCTS	413848790	597166834
	Share of total all products	Primary commodities, precious stones and non-monetary gold	74.7	75.9
	Share of total all products	All food items	12.8	13.6
	Share of total all products	Manufactured goods	24.7	23.8

Source: UNCTADStats.