Overview of recent economic and social developments in Africa

I. Economic performance

A. Subdued growth performance and prospects

1. Global economic activity slowed in 2022, owing to a decline in growth among major economies, with growth rates in China, the European Union, the United Kingdom of Great Britain and Northern Ireland and the United States of America anticipated at 3.0 per cent, 3.1 per cent, 3.6 per cent and 1.6 per cent, respectively, which is substantially lower than the growth witnessed in 2021. The decline, mainly driven by the conflict between the Russian Federation and Ukraine, has exacerbated the social and economic effects of the coronavirus disease (COVID-19) pandemic. The conflict erupted just as the African economies were recovering from the adverse effects of the pandemic, thereby posing a further threat to the prospects for economic growth in Africa. Owing to a slowdown in the global economy, a rise in prices fuelled by the Ukrainian conflict, climate change and worsening international economic and financial conditions, growth in Africa has been negatively affected, declining from 4.6 per cent in 2021 to 3.6 per cent in 2022,¹ as a result of the multiple economic shocks over the period. However, in the developing world, Africa has been the fastest expanding region after East and South Asia (4.5 per cent) (see figure I).

¹E/ECA/COE/41/1.

2. Consistent with experiences in the rest of the world, growth in Africa has decreased considerably over the past year to a growth rate of 3.6 per cent in 2022 following a 4.6 per cent rebound from the COVID-19 crisis in 2021. The increase in global demand, higher crude oil prices (mostly benefiting oil exporting countries), the loosening of COVID-19 restrictions in most countries and the resulting increase in domestic consumption and investment significantly contributed to the initial resurgence.2

B. Drivers of growth

3. Private consumption and gross fixed investment have driven growth in Africa in 2022 (see figure II), while net exports have repressed it. Government final consumption increased, contributing 0.8 percentage points to gross domestic product (GDP) growth in 2022. However, the contribution of private consumption to GDP growth was significantly lower than in 2021, amid the tightening of the global economy by monetary authorities to combat inflationary pressures. The region experienced an improvement in net exports and government consumption, as exports increased owing to improved global demand amid increased global prices of some commodities such as coal and aluminium.3 Net exports and private consumption are expected to be the key drivers of growth into 2023; however, the tightening of global monetary policies is expected to weigh on investments on the continent. Regarding the structure of African economies, they continue to be driven by the services sector, followed by the industrial and agriculture sectors, with an estimated average contribution of 56.2 per cent, 29.0 per cent and 19.3 per cent, respectively.4

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Figure II
Contribution of various components to economic growth in Africa, 2019–2023
(Percentage points)

Source: The Economist, Economist Intelligence Unit database, available at
https://viewpoint.eiu.com/data/ (accessed in December 2022); United Nations,
Department of Economic and Social Affairs, World Economic Situation and
Prospects 2023; and ECA estimates and forecasts 2023.

Note: Data are estimated for 2022 and projected for 2023.

4. With regard to per capita income, economic performance remains poor across
the continent, losing an estimated from 5 to 15 per cent between 1986 and 2016 owing
to climate change, which has limited the capacity of Africa to realize its economic
potential. If current global climate policies remain unchanged, the average
temperature could reach around 2.7°C higher than pre-industrial times, which would
lead to a 20 per cent reduction in economic growth by 2050. Many African countries
are already spending from 2 to 9 per cent of their budget to respond to extreme
weather events.

C. Growth recovery across subregions

5. Growth in Africa in 2022 was mainly driven by growth in the East, North and
West African subregions (see figure III). It was estimated that growth in East Africa
would reach 5.1 per cent in 2022 and stabilize around the same level in 2023. Growth
in the subregion will continue to be driven by the rebound of service and industrial
activity, higher State spending, increased trade, recovery of the tourism sector, closer
regional linkages through the East African Community and increased infrastructure
investments, in particular in Rwanda and Uganda. In Central Africa, it was estimated

5 Christian Aid, “The cost to Africa: drastic economic damage from climate change”, November 2022,
6 ECA, African Climate Policy Centre, “Information brief: Africa is spending more than its fair share for
7 African Development Bank, “African Development Bank predicts economic slowdown in East Africa in
2022, but bounce back in 2023”, 16 November 2022.
that growth would reach 3.4 per cent in 2022, up from 1.4 per cent in 2021, mainly driven by growth in Cameroon and Gabon, owing to an increase in oil prices coupled with strong domestic production in both countries.8

6. In West Africa, Senegal is expected to continue experiencing remarkable improvement in its rate of growth in 2023 owing to the commencement of hydrocarbon exports, which is coinciding with rising natural gas prices.9 Owing to the continued weakness of the oil sector, however, the real GDP growth of Nigeria was predicted to decelerate from 3.6 per cent in 2021 to 3.3 per cent in 2022.10 The West African subregion’s growth is expected to rise slightly from 3.6 in 2022 to 3.8 per cent in 2023.

Figure III
Real gross domestic product growth in Africa by subregion, 2020–2023
(Percentage points)


7. Growth in North Africa is expected to accelerate from 3.9 per cent in 2022 to 4.8 per cent in 2023, largely because of the expected rise in demand in the eurozone. As a result, demand for exports from North African countries will increase, the number of tourist arrivals will rise, and remittance inflows are expected to increase in 2023. Such countries as Algeria, Morocco and Tunisia are expected to experience positive effects, as they conduct higher levels of trade with the eurozone.11

8. Slow growth is expected in most Southern African countries, led by the subregion’s largest economy, South Africa, and reaching a subregional average of 2.8 per cent. Over the past year, the country has been dealing with a number of persistent issues, including electricity and transport sector infrastructure constraints, high unemployment, a tighter monetary policy and high inflation. Furthermore, sluggish

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external demand induced by expected recessions in the eurozone and in the United States will lead to a drop in real exports from South Africa in 2023, making it the slowest growing of the major African economies that year. The growth rate of the Southern African subregion is expected to remain at about 2.3 per cent in 2023, similar to that of 2022.

D. Constrained fiscal space

9. Since the start of 2022, soaring inflation and rising interest rates have worsened the already limited fiscal space for African Governments. The need to stimulate economic recovery and to protect vulnerable populations against high prices induced by the war in Ukraine has made it difficult to maintain fiscal sustainability in Africa. Fiscal deficits have been exacerbated by up to 0.2 percentage points, reaching -5.0 per cent in 2022, which is higher than the pre-pandemic levels (see figure IV). This situation makes it challenging to invest in measures to tackle the effects of multiple shocks and build resilience. However, fiscal deficits are expected to narrow to -4.9 per cent in 2023, which is mostly attributable to high inflation, as it reduces the real value of deficits.

Figure IV
Fiscal balance for African subregions and country groups, 2019–2023
(Percentage of gross domestic product)


10. In North Africa, fiscal deficits widened from -5.7 per cent in 2021 to -6.1 per cent in 2022 before decreasing slightly to -6.0 per cent in 2023, while in Southern Africa the fiscal deficit improved from -4.7 per cent in 2022 to -3.4 per cent in 2023. The Central African subregion, however, was expected to record a positive fiscal balance of 1.6 per cent in 2022, which is projected to rise to 2.8 per cent in 2023.

11. Oil exporting countries benefited slightly from elevated energy prices, with fiscal deficits reaching -4.6 per cent in 2022 before an expected decrease to -4.0 per cent in 2023, although this is still higher than the 2019 levels. Oil importing countries, by contrast, reached a fiscal deficit of -5.2 per cent in 2022, and -5.3 per cent is expected in 2023.

12 Oxford Economics, “Research briefing: Africa in 2023 – where will growth come from?”.
12. Despite the need to increase government expenditure to combat the effects of the recent shocks, African fiscal space remains constrained, as average government expenditure was estimated to stand at 26 per cent of GDP in 2022 and is expected to stand at 25 per cent in 2023. However, the average revenue collection for the continent was estimated to stand at 22.5 per cent of GDP in 2022 (1 percentage point higher than the 2019 level) before a slight expected narrowing to 22.0 per cent in 2023. The fiscal situation of countries continues to be under strain, as Governments have adopted a variety of policy measures – including reductions in consumption and income taxes, cash transfers and price subsidies – to protect households from inflationary pressures.13

E. Debt vulnerabilities

13. Debt vulnerabilities remain elevated on the continent, and debt is projected to remain high, owing to the combined effects of increased public spending and declining revenues, which are caused by persistent exogenous shocks. Public debt soared owing to fiscal support that was deployed to vulnerable households and firms to shield them from the impact of the pandemic, which in turn limited the scope for fiscal policy. The debt-to-GDP ratio in Africa was estimated at 64 per cent of GDP in 2022, down slightly from 65 per cent in 2021, which could be partially attributed to inflation, as higher inflation reduces the real value of outstanding government debt. These levels still remain above the IMF debt sustainability level of 60 per cent of GDP.

Figure V
Government gross debt in African subregions and country groupings, 2019–2023
(Percentage of gross domestic product)

Source: IMF, “World economic outlook”.

14. The public debt level is expected to improve slightly in 2023 to 61.9 per cent of GDP, which is nevertheless higher than the pre-pandemic level of 56.6 per cent recorded in 2019 (see figure V). According to IMF, as at 31 January 2023, 13 African countries were at high risk of debt distress, and 8 were already in debt distress, which was 2 more than in 2021. The need to service and roll over large amounts of debt at a time when domestic and international borrowing costs are on the rise will weigh heavily on some countries in 2023, and the situation could worsen in 2024 as more capital repayments fall due for most countries.15

14 Chad, Congo, Malawi, Mozambique, Sao Tome and Principe, Somalia, Sudan, Zambia and Zimbabwe.
F. Rising inflation

15. Inflation in Africa has remained elevated and stayed above 10 per cent since 2020, reaching 12.8 per cent in 2022, mainly owing to supply constraints and the rise in oil and food prices, as well as prices of other tradable goods, in 2022. Inflation is estimated to have reached 12.8 per cent in 2022 and is then expected to decline to 11.8 per cent in 2023 as monetary policy tightens across the continent. Consequently, rising borrowing costs and debt service burdens pose a significant challenge going forward.16

Figure VI
Inflation rates in selected African countries, 2020–2022
(Percentage)


16. Since the last quarter of 2021, inflation has remained relatively high in nearly all countries in Africa and has remained in double digits in many countries (see figure VI). However, countries are expected to register a downward trend in the short to medium term as central banks tighten policies and energy and food prices decline.

G. Increased capital outflows

17. The increase in interest rates established by the United States Federal Reserve in March 2022 in response to persistently high inflation has led to the appreciation of the United States dollar against other major currencies. The associated higher yields on long-term government bonds in developed economies and investors’ search for safe assets have led to capital outflows from developing markets, including Africa. These capital outflows have led to a significant depreciation of domestic currencies against the United States dollar in several African countries (see figure VII).

Figure VII
Percentage change in the exchange rate, 2020–2022
(Local currency against the United States dollar)


Abbreviations: CEMAC, Central African Economic and Monetary Community; WAEMU, West African Economic and Monetary Union.

18. Currency depreciation has been more pronounced in countries with flexible exchange rate regimes and in commodity-exporting countries, as they experience higher inflationary pressures, suggesting a strong exchange rate pass-through effect against the United States dollar. The worst hit currency on the continent is the Ghanaian cedi, which depreciated by more than 50 per cent against the dollar in 2022 (see figure VII). However, it has strengthened since December 2022, following an IMF visit and a domestic debt exchange announcement.17

19. The South African rand weakened nearly 12 per cent over the period from January to November 2022, while the Egyptian pound had depreciated more than 20 per cent by the end of August 2022 and slid about 14.5 per cent in October 2022 to a record low against the United States dollar after moving to a flexible exchange rate regime (see figure VII).18

20. Countries with fixed exchange rates within the Central African Economic and Monetary Community and the West African Economic and Monetary Union experienced an average depreciation of 10 per cent against the United States dollar between January and November 2022. Among tourism dependent economies, over the same period the currency of Cabo Verde depreciated by 11 per cent.

21. Despite a break in the United States dollar bull trend in the fourth quarter of 2022, most African currencies will likely depreciate against the United States dollar in 2023, as developed countries continue to tighten monetary policy to limit inflation. Owing to the ongoing war in Ukraine, reduced foreign demand and domestic pricing

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17 IMF, “World economic outlook”.
pressures, African economies may continue to endure exchange rate weakness in 2023.

22. As a result, several African central banks have tightened their monetary policies and adjusted exchange rates, with such countries as Ghana, Mauritius and Namibia increasing their policy rates by 116 per cent, 86 per cent and 80 per cent, respectively, over the period from January to November 2022 (see figure VIII).

Figure VIII
Monetary policy rate in selected African countries, January–November 2022
(Percentage change)


Abbreviations: CEMAC, Central African Economic and Monetary Community; WAEMU, West African Economic and Monetary Union.

II. Headwinds facing African trade

23. After a decline of 18 per cent in 2020 caused by the COVID-19 pandemic, African trade rebounded in 2021, increasing by 34 per cent (see figure IX). The relaxation of pandemic-induced mitigation measures spurred an increase in global demand for goods and services, while the alleviation of supply chain constraints simultaneously helped to facilitate growth in African trade. However, despite initial estimates of further growth, African trade in goods and services faced several headwinds in 2022. The conflict in Ukraine has increased the cost of African imports, in particular food and energy products, while the tightening of global financial conditions, which has stressed African budgets, has increased the likelihood of a global recession.19

24. Although the recovery of African exports following the pandemic outpaced the rest of the world, growing at 42 per cent in 2021 compared with the global average of 26 per cent, the continent’s share of total exports remains small and has fallen in recent years. In 2010, for example, African exports comprised 3.4 per cent of the global total, whereas by 2021 the continent’s share of global exports had fallen to a mere 2.5 per cent.20 By contrast, Europe and Asia combined account for

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approximately four fifths of the global total, highlighting the world’s reliance on products from these regions.

Figure IX
Total African trade, 2016–2021 (left axis) and growth rate year-on-year (right axis)
(Billions of United States dollars; percentage)


Note: Total trade defined as the sum of imports and exports.

A. Intra-African trade

25. African exports to the rest of the world are largely concentrated in fuel products, which comprised approximately 37 per cent of the continent’s exports between 2016 and 2021 (see figure X). In addition, ores and metals, also in extractive industries, held a 14 per cent share of African exports. Together these two sectors comprised over half of African exports to the rest of the world. Conversely, on average, intra-African trade in manufactured goods comprised a 44 per cent share of intra-African exports, whereas fuels and ores comprised only 20 per cent and 8 per cent, respectively.

26. Intra-African exports comprise a relatively small share of overall African trade, however, accounting for only 15 per cent of the global total in 2021. Likewise, in 2021, African imports from within the continent represented only 14 per cent of its overall goods imports. This suggests that, even with more balanced intra-African trade, the continent’s main trading relationships are with countries outside of its borders, leaving it increasingly and continually exposed to global shocks.
27. At a more granular level, this exposure is even more pronounced. For example, while they represented only 3 per cent of total imports, or $16.5 billion in 2021, the Russian Federation and Ukraine are critical markets for such staple goods as wheat and maize. In fact, in 2021, these two countries were the source of over 80 per cent of the wheat import bill in Benin and Somalia. The Russian Federation and Ukraine also represented over 50 per cent of the import bill in 14 other African countries. In this context, African trade dependence has exacerbated food insecurity across the continent. This, combined with higher prices and tightening global financial conditions, has led to more than 60 per cent of African countries requiring external assistance to source critical food products.  

22. Agreement Establishing the African Continental Free Trade Area  

28. It is estimated that implementation of the Agreement Establishing the African Continental Free Trade Area will increase intra-African trade by around 35 per cent by 2045, benefiting all main sectors. Intra-African trade in agrifood, services and industry is expected to increase by about 40 per cent each, in contrast to energy and mining. While still expected to increase, the gains to the energy and mining sector are foreseen to be substantially lower, at approximately 16 per cent. In this regard, the Agreement is not only expected to help Africa to industrialize but also to reduce the continent’s dependence on energy and mining. Furthermore, since intra-African trade is currently dominated by manufactured goods, the Agreement is likely to help Africa to reduce its current dependence on manufactured imports, since agrifood and


Abbreviation: SITC, Standard International Trade Classification.


industry comprise the largest portion of African gains from the Agreement, with a few exceptions (see figure XI).

29. With regard to the ongoing negotiations concerning the Agreement Establishing the African Continental Free Trade Area, in February 2022, the Assembly of Heads of State and Government of the African Union announced that trading under the Agreement should begin, since negotiations were nearing their conclusion. This decision was further emphasized in June 2022 by the Council of Ministers, leading to the launch of the Agreement Establishing the African Continental Free Trade Area Guided Trade Initiative in October 2022 as a pilot project involving eight countries: Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tunisia and United Republic of Tanzania. The Guided Trade Initiative is aimed at facilitating commercially meaningful trade among countries that have met the minimum requirements for trading under the Agreement. The Initiative is also expected to test the operational, institutional, legal and trade policy environment across the continent and to encourage other countries to begin formal trading under the Agreement.24

Figure XI
Expected distribution of absolute gains by main sectors in African countries’ exports to other African countries following implementation of the Agreement Establishing the African Continental Free Trade Area, by 2045 (Percentage)

Source: Calculations of ECA and Centre d'études prospectives et d'informations internationales, based on MIRAGE-e, 2021.

III. Recent social developments

30. Poverty and inequality were significant in Africa even before the recent global crises. The deepening of poverty and widening of inequality amid overlapping crises threaten to reverse the two decades of progress made in countering them. Recovering from the adverse effects of these phenomena may take years if urgent action is not taken at the global and national levels. Of particular concern is the fact that the non-poor in Africa are at high risk of slipping into poverty as shocks occur. Both structural and emerging factors contribute to this pressing policy concern.

A. **Structural and emerging challenges**

31. The economic growth that has occurred in Africa since the early 2000s has only modestly affected poverty and inequality. The mismatch between sectors of growth and employment is one of the structural issues that continue to lower the impact of growth on poverty reduction. The majority of people in Africa are employed in the informal sector, mainly the agriculture and service sectors, in which productivity is low, reflecting lower skills accumulation and lower contribution to growth. High population growth with fertility rates that are double the world average is delaying the sustainable demographic transition, thereby delaying the demographic dividend opportunity.

32. Location of residence remains a major factor in inequality with regard to gaining access to public services, thereby contributing to the intergenerational transmission of poverty in rural areas and fuelling migration. Gender inequalities have led to the feminization of poverty, with young girls facing compound risks, in particular in rural areas. Rapid urban growth amid stagnant and weak growth in job-rich manufacturing and modern service sectors has led to the proliferation of poverty, inequality and informal employment in African cities.

33. There are also emerging issues beyond structural factors, including persistent shocks and migration, which lock millions of poor people – mostly women and children – into vulnerable situations. Such factors make the fight against poverty and inequality more challenging than in the past, as the delivery of public services becomes very difficult. In this regard, leaving no one behind in the spirit of the 2030 Agenda for Sustainable Development and the basic tenets of Agenda 2063: The Africa We Want, of the African Union requires protecting vulnerable people and providing them with equal access to opportunities.

B. **Global concentration of extreme poverty**

34. Recent measures of poverty using monetary and non-monetary approaches confirm that extreme poverty is a pressing policy concern in Africa. The region had made significant progress in reducing the proportion of people living in extreme poverty (below $2.15 a day per person), which had decreased from 55 per cent in 2000 to 35 per cent in 2019. In 2020, however, this proportion rose to 39.2 per cent of the African population, with 62 million people being pushed into poverty in just one year (from 2019 to 2020) because of the pandemic. While the number of poor people declined between 2020 and 2021, it rose again by 19 million between 2021 and 2022, with 546 million people living in poverty (see figure XII). Global extreme poverty is increasingly concentrated in Africa, which now accounts for 80 per cent of global poverty.
35. At the subregional level, East and West Africa had the highest number of people living in poverty, with 224 million and 177 million, respectively. These two subregions account for 73 per cent of the continent’s total poor. Southern Africa had the lowest number of people living in poverty (16 million), followed by North Africa (17 million) and Central Africa (103 million).²⁵

### C. Prevailing shocks and structural factors

36. Prevailing shocks, combined with underlying structural factors, have compounded the risks of falling into poverty for the non-poor and of falling deeper into poverty for the poor.²⁶ The contraction in economic growth caused by the COVID-19 pandemic has had significant impacts on poverty and vulnerability, as the associated supply and demand shocks have led to a decline in economic activity, and to job and income losses, adversely affecting households and their ability to manage risks. Disruptions caused by the pandemic pushed an estimated 55 million people (who were previously non-poor) into extreme poverty in Africa in 2020 and reversed more than two decades of progress that had been achieved in poverty reduction.²⁷

37. According to World Bank data, during the COVID-19 pandemic, the non-poor, especially those just above the extreme poverty line of $2.15 a day, slipped into poverty owing to their limited ability to hedge the effects of shocks. With regard to those who were 20 per cent or less above the poverty line (that is, those who were living on between $2.15 and $2.35 per day), there were 144 million non-poor that were at high risk of falling into poverty, implying that 10 per cent of the African population was vulnerable to falling into poverty in 2022 (see figure XIII). East and West Africa had the highest numbers, accounting for 70 per cent of those vulnerable to poverty in Africa, with 52 million and 48 million people, respectively, while Southern Africa had the lowest number, with 5 million people vulnerable to falling into poverty. However, the number of those vulnerable to falling into poverty (that is, those living 20 per cent above the poverty line) increased by 21.9 million between 2021 and 2022.

²⁷ Ibid.
D. Dynamic and transient poverty

38. Poverty in Africa is highly dynamic and transient, such that poor households move in and out of poverty owing to exogenous shocks and their inability to manage uninsured shocks. Economic vulnerability and consumption volatility associated with shocks – such as health-related out-of-pocket payments, effects of the decline in oil prices (especially in oil exporting countries) and drought – pushed the non-poor into poverty in 2022. Those working primarily in the informal sector, including women, refugees, displaced persons and urban residents engaged in informal employment, were the most vulnerable to falling into poverty. Women experienced greater negative effects of the pandemic than men. For example, in South Africa, 47 per cent of poor women lost their jobs during the pandemic compared with 36 per cent of poor men. Women without a tertiary education were severely affected, while those who remained employed experienced a larger drop in working hours and cuts in wages than men.28

E. Persistent income inequality

39. Income inequality has remained high and constant through recent crises, while wealth inequality is even higher. High inequality, along with high levels of poverty, creates a vicious cycle in which existing structural bottlenecks persist, rendering the African population perpetually vulnerable to both economic and non-economic shocks. Tackling risk factors for vulnerable households while building their ability to weather future shocks should be at the centre of recovery strategies, while facilitating inclusive growth.

IV. Medium-term growth prospects

40. African performance in 2022 was undermined by various internal and external shocks, which will dampen prospects in the coming year. Slowing global demand, global inflationary pressures caused by the war in Ukraine, elevated interest rates and

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28 Ibid.
Debt levels and climate events are expected to weigh heavily on African growth prospects in the short and medium term. Political and security conditions remain challenging in certain countries on the continent, in particular in the Sahel region, and preparations for presidential and parliamentary elections will be ongoing throughout 2023 and 2024.

41. The unfavourable external environment created by the envisaged recession in both the United States and the eurozone are expected to weigh on commodity prices and demand for African exports, signifying the importance of getting the domestic macroeconomic fundamentals right as drivers of growth. The tightening of monetary policy in major advanced economies would depress global demand and raise borrowing costs and hence depress investment on the continent. With rising interest rates, public debt continues to be elevated, reaching distressing levels in some countries and undermining efforts to enhance debt sustainability and to protect the vulnerable.

V. Conclusions and policy recommendations

42. In order to build sustainable and resilient economies, African Governments need to enhance their efforts to design and implement credible macroeconomic frameworks to boost socioeconomic transformation so as to build production capacity, reduce transaction costs and promote structural transformation. To reduce debt dependence, African Governments should redouble their efforts to mobilize domestic resources through effective tax policies and other innovative mechanisms and instruments to reduce the cost of credit.

43. Rising costs of funding in United States dollars pose a big risk not only to existing debt burdens but also to prospects for mobilizing resources to finance sustainable development projects. African countries should develop their domestic financial markets with sound and effective regulatory frameworks in order to lay a good foundation for the resilience of the overall financial system and to make monetary policies more effective.

44. In the context of high inflation, high debt, rising interest rates and elevated uncertainty, coordination between monetary and fiscal policy is critical to reduce inflation while shielding the most vulnerable households. Strengthening social safety nets and temporary targeted cash transfers can be effective in protecting vulnerable households from price spikes. However, more fiscal spending could further exacerbate inflation. Governments should prioritize and increase the effectiveness of public expenditure with a proper policy mix, which may require balancing fiscal and monetary policies, taking into consideration the prevailing priorities.

45. The current international financial architecture needs to be reformed so as to enable African countries to gain access to resources more easily and at a lower cost. Such instruments as the Liquidity and Sustainability Facility and the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative could grant access to lower borrowing costs and save African Governments from interest costs.

46. There is a significant opportunity for African countries to tap into predictable financial flows from carbon markets and to stimulate private sector investment in climate-resilient projects, building on the connection with investors established during the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. Debt-for-climate-adaptation swaps can help African countries to restructure their existing debt portfolios and ease their burden of debt, which would allow them to pursue their industrial development.

29 Cesar Calderon and others, “Food system opportunities in a turbulent time”.
47. African countries should also take advantage of the Agreement Establishing the African Continental Free Trade Area to accelerate the industrialization and diversification of their productive sectors. This will require strengthening human capital, promoting jobs in high-productivity sectors and advancing digitalization. African countries should utilize opportunities presented by the Agreement to boost intra-African trade and to build productive capacity and resilience to external shocks. There is a need for full government support for the implementation of the Agreement if inclusive and sustainable development is to be accelerated in Africa.

48. As second phase of the negotiations on investment and competition protocols are being finalized, the active participation of all member States is necessary to ensure the successful completion of these negotiations. Once finalized, member States will need to ensure that the agreements are implemented and that national laws and rules are aligned with the agreements.

49. A great deal of effort is still required to raise awareness of the Agreement Establishing the African Continental Free Trade Area. For the Agreement to work effectively, it is incumbent on the authorities to ensure that all stakeholders are aware of it, the rights and entitlements it confers, and the corresponding obligations and duties.