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**ECONOMIC COMMISSION FOR AFRICA  
SUB REGIONAL OFFICE FOR SOUTHERN AFRICA**

**Twenty-Eighth Meeting of the Intergovernmental Committee of  
Senior Officials and Experts of Southern Africa**

**26-27 October 2022  
Hybrid: Maputo, Mozambique and Virtual**

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

## I. Introduction

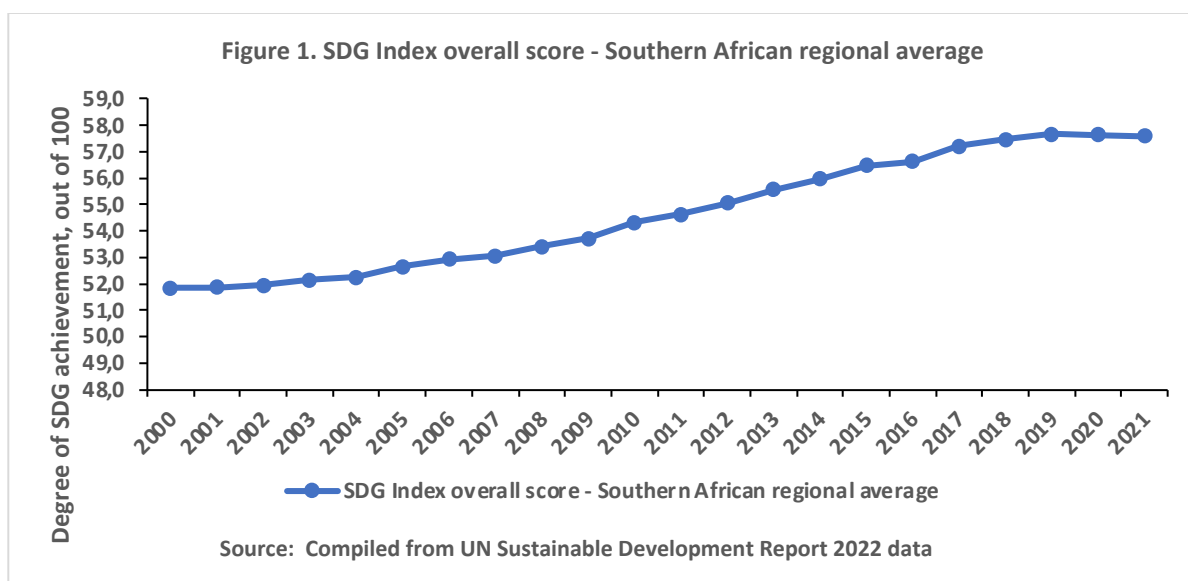
1. The present *Progress report on regional and international agendas and other special initiatives* prepared for the twenty-eighth session of the Intergovernmental Meeting of Senior Officials and Experts (ICSOE) for Southern Africa reviews progress towards attainment of the Sustainable Development Goals (SDGs). It places a particular focus on the theme of the ICSOE, namely, “Greening Industrialization in Southern Africa through digitalization, infrastructure development and regional integration: leveraging AfCFTA implementation”.

2. In this regard, the report first looks at SDGs 9, 13, 7 and 12, which are considered core indicators of greening industrialization. It then discusses SDGs 1, 8 and 10, which correspond to the key outputs of a successfully implemented agenda of greening industrialization. The report then addresses SDGs 4 and 5 considered cross-cutting, and pertinent to the overall green industrialization drive. Finally, it reviews SDGs considered key enablers for a sustainable and green industrialization agenda, namely SDGs 16 and 17.

3. The report recognizes that the SDGs are integrated and indivisible and balance the three dimensions of sustainable development, economic, social and environmental. In this respect, the assessment endeavors to the extent possible, to bring out the interlinkages among the goals. Given that African countries are committed to both the 2030 Agenda for Sustainable Development and the AU Agenda 2063, the assessment cross references the SDGs with related Agenda 2063 goals.

## II. Overall progress towards the SDGs in Southern Africa

4. There has been progress towards the SDGs in Southern Africa over the years. Figure 1 shows that between 2000 and 2018, the region progressed by 5 points on the SDG Index score, indicating overall progress towards the accomplishment of the SDG targets. However, since 2019 progress has stagnated, and in some cases reversals were registered. This can largely be attributed to the adverse impacts of the COVID-19 pandemic.



5. Progress towards the SDGs remains varied across the different indicators. Table 1 summarizes the performance of the region over time for the selected indicators. Some of the positive trends include increasing education completion rates, increasing proportion of population with access to electricity, increasing number of fixed internet broadband subscriptions per 100 inhabitants and decreasing carbon dioxide emissions per unit of Manufacturing Value Added (MVA). On the other hand, the key indicators of industrial output follow a negative trend. The neutral-to-negative trends in impact of disasters, institutional quality, and cost of borrowing undermine the region's prospects.

**Table 1:** Summary of Southern African region's performance on selected SDG and Agenda 2063 indicators

	SDG ind.	2010	2015	2019	2020	Units / Notes	Agenda 2063 Goal	First Progress Report (2020)	Second Progress report (2022)
Manufacturing value added as a proportion of GDP	[9.2.1]	↑ 11,03	→ 10,38	→ 10,35	↓ 9,91				
Unemployment, total (% of total labor force) (modeled ILO estimate)	[8.5.2]	→ 14,79	↓ 13,89	↓ 14,24	↑ 15,47	percent	(1) A High Standard of Living, Quality of Life and Well Being for All Citizens		
GDP per capita growth (annual %)	[8.1.1]	↑ 5,30	→ 0,31	→ -0,68	↓ -7,40	percent			
Labour share of GDP (%)	[10.4.1]	↑ 49,50	↓ 48,75	↑ 49,65		percent		↑ 54%	↓ 17%
Carbon dioxide emissions per unit of manufacturing value added	[9.4.1]	↑ 1,06	→ 0,87	↓ 0,76	↓ 0,76				
Number of deaths and missing persons attributed to disasters per 100,000 population (number)	[13.1.1]	↓ 21,69	↓ 9,73	↓ 8,02	↑ 71,47	Per 100,000 population	(7) Environmentally sustainable and climate resilient economies and communities	↓ 35%	↑ 100%
Domestic material consumption per capita, by type of raw material (tonnes)	[12.2.2]	↑ 8,63	↑ 8,25	↓ 7,42		tonnes			
Proportion of medium and high-tech manufacturing value added in total value added	[9.b.1]	↑ 21,25	↓ 19,10	↓ 19,29		percent	(4) Transformed Economies	↓ 9%	↑ 33%
Proportion of population with access to electricity (%)	[7.1.1]	↓ 77,53	↑ 81,16	↑ 81,93	↑ 81,64	percent	(10) World Class Infrastructure crisscrosses Africa		
Fixed Internet broadband subscriptions per 100 inhabitants, by speed	[17.6.1]	↓ 0,93	↓ 2,25		↑ 5,20			↓ 3%	↑ 100%
Average completion rates in the Southern African region by level of education - <i>Primary education</i>	[4.1.1]	↓ 70,34	↑ 74,56		↑ 76,37	percent	(2) Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation	↓ 24%	↑ 100
<i>Lower Secondary education completion rate</i>		↓ 50,21	↑ 55,14		→ 53,26	percent			
<i>Upper secondary completion rate</i>		↓ 24,53	→ 28,11		↑ 30,52	percent	(18) Engaged and Empowered Youth and Children	↓ 34%	↑ 100%
Government expenditure on education, total (% of GDP)	[1.a.2]	↓ 4,58	↑ 6,18	→ 5,63	↑ 5,73	Percentage of GDP	(17) Full Gender Equality in All Spheres of Life	↓ 34%	↑ 54%
Gender Parity Index	[5.1.1]	↑ 65,05	↓ 51,36	↑ 64,80	↑ 65,51	index			
Proportion of Parliament seats held by women	[5.5.1]		↓ 23,73	↑ 26,91	↑ 27,00	percent	(9) Continental Financial and Monetary Institutions are established and functional		
Total government revenue (budgetary central government) as a proportion of GDP (%)	[17.1.1]	→ 33,61	↑ 37,02	↑ 36,10	↓ 30,39	Percentage of GDP	(20) Africa takes full responsibility for financing her development	↓ 93%	↑ 100%
Foreign direct investment (FDI) inflows (millions of US dollars)	[17.3.1]	→ 4266,91	↓ 3243,75	↑ 5287,49	↓ 3254,87	Millions of US dollars			
Debt service as a proportion of exports of goods and services (%)	[17.4.1]	↓ 2,79	↑ 14,02	→ 7,13	↑ 10,87	percent	(19) Africa as a major partner in global affairs and peaceful co-existence	↓ 19%	↑ 43%
Percentage of total world merchandise trade to / from Southern Africa - imports	[17.11.1]	↑ 0,73	↑ 0,73	→ 0,65	↓ 0,56				
Percentage of total world merchandise trade to / from Southern Africa - exports	[17.11.1]	↑ 0,67	↓ 0,57	↓ 0,55	↓ 0,56			↑ 45%	↓ 31%
Domestic general government health expenditure (% of GDP)	[1.a.2]	↓ 2,83	↑ 3,01	↑ 3,09		Percentage of GDP	(3) Healthy and well-nourished citizens	↓ 16%	↑ 100%
Institutional quality (derived by averaging 6 indicators of institutional quality)	Aggregate for SDG 16	↑ -0,19	↑ -0,21	↓ -0,28	↓ -0,28	institutional quality score	(11) Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched	↓ 16%	↑ 26%
							(12) Capable institutions and transformative leadership in place	● 0%	● 0%
							(13) Peace Security and Stability is preserved	↑ 20%	↓ 0%
							(14) A Stable and Peaceful Africa	↓ 20%	↑ 100%
							(15) A Fully functional and operational APSA	↑ 80%	↓ 40%
							(16) African Cultural Renaissance is pre- eminent	↓ 0%	↑ 40%
							(8) United Africa (Federal or Confederate)	↓ 0%	↑ 100%
							(5) Modern Agriculture for increased productivity and production	↓ 0%	↑ 100%
(6) Blue/ ocean economy for accelerated economic growth	↓ 0%	↑ 100%							

**Source:** Compiled from SDG indicators' custodian agencies' datasets<sup>1</sup> and the AU (2022)

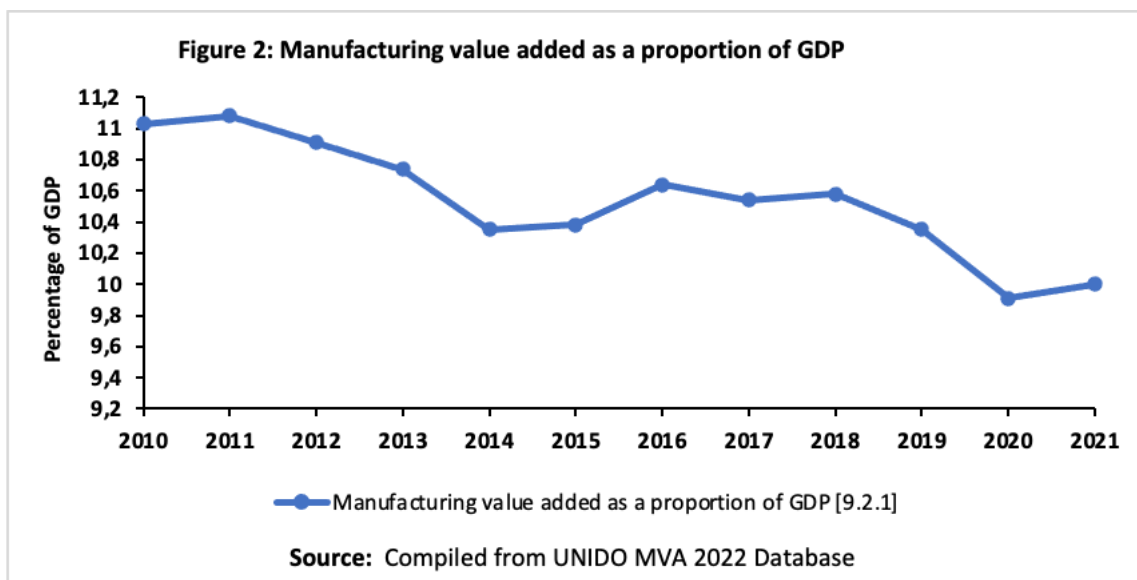
<sup>1</sup> Data sourced from agencies responsible for specific indicators. Please see: <https://unstats.un.org/sdgs/metadata/> for sources of individual SDG indicators

### III. Progress towards SDGs key for “Greening industrialization in Southern Africa”

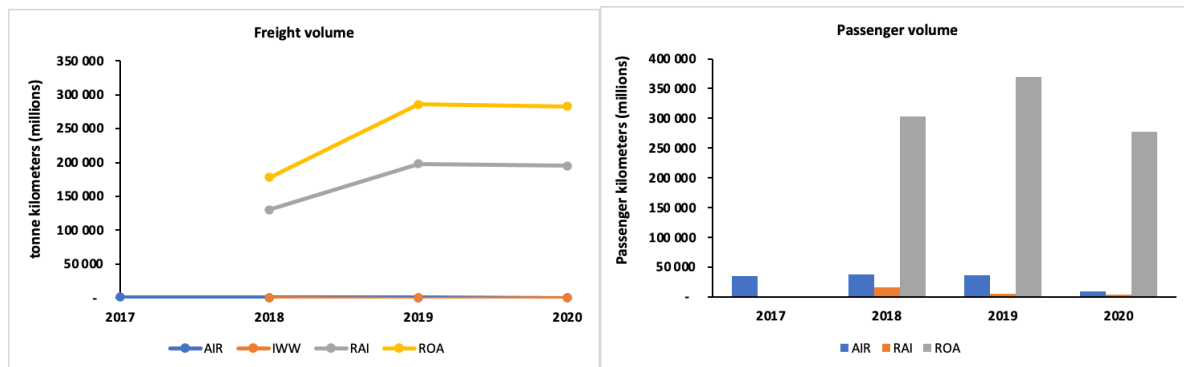
#### A. SDG 9 – industry, innovation and infrastructure

6. SDG 9 is a key goal for greening industrialization. At the core of it lies industry, innovation, and infrastructure, which are all necessary components of economic transformation. The ambition to transform economies is also embedded in African Union Agenda 2063’s Goal 1, “A High Standard of Living, Quality of Life and Well Being for All Citizens” and Goal 4 “Transformed economies and job creation”.

7. Industrialization refers primarily to growth in manufacturing, value addition, and advancement into more high-end economic activities. Progress towards development of industry overall is tracked using MVA as a proportion of GDP, and GDP per capita. However, as depicted in Figure 2, this indicator has followed a downwards trend over the years across the region. Countries to a large extent remain reliant on sales and exportation of raw goods, rather than manufactured products to sustain their economies.

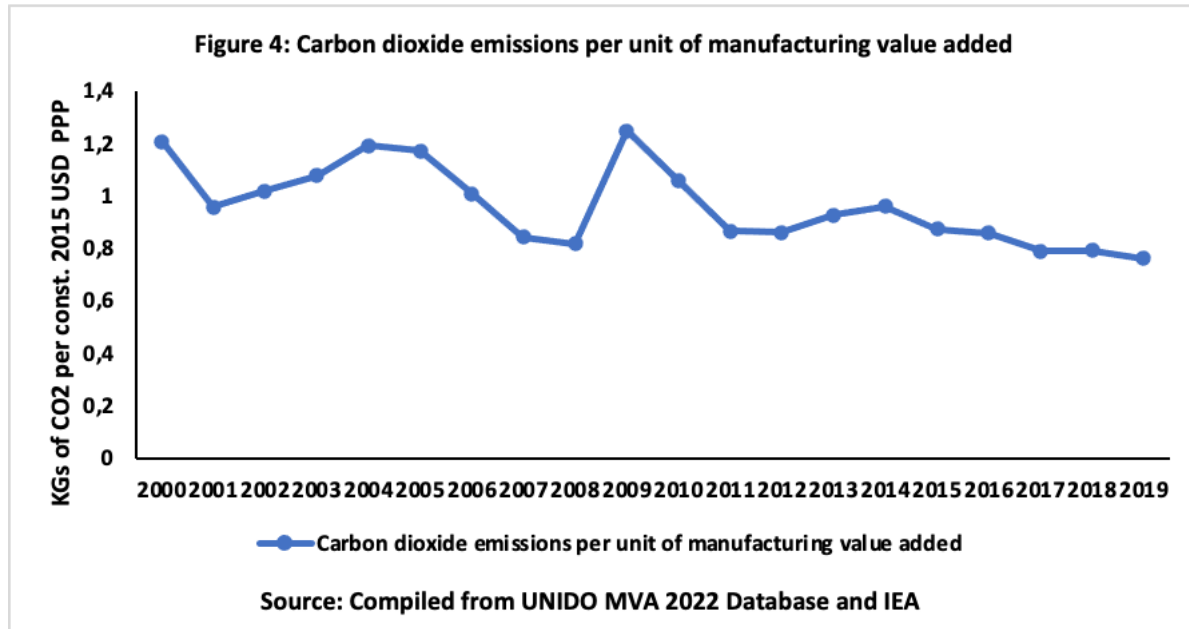


8. Infrastructure is a key enabler of industrialization, as it is the availability of ports, roads, rail, and other modes of transportation that makes it easier for production to occur within value chains, and for goods generated to be traded. The importance of upgrading the region’s infrastructure is recognized by all key players, notably AU. Agenda 2063’s Goal 10 “World class infrastructure crisscrosses Africa” is noteworthy. The African Development Bank (AfDB) which provides funding for infrastructure investments, monitors progress towards this goal through its Infrastructure Development Index. As depicted in Figure 3, in terms of freight and passenger volumes, road transportation remains the main mode of transportation in Southern Africa. For freight, rail is the dominant mode. The dip/stagnation of freight and passenger volumes in 2020 can be attributed to COVID-19, which caused limitations in passenger traffic, and value chain disruptions.

**Figure 3:** Freight and passenger volumes, by mode of transport

Source: Compiled from ICAO, ITF and UNCTAD data<sup>2</sup>

9. Industrialization has historically been linked with growth of atmospheric emissions. Thus, the industrialization drive needs to consider the impact on the environment and other climate-sensitive sectors such as health, agriculture, food security and broadly development endeavors. For this reason, CO<sub>2</sub> emission per unit of MVA needs to be constantly monitored. The current negative trend in emissions per unit of MVA depicted in Figure 4, is encouraging. However, this could be a result of the decreasing contribution of manufacturing to GDP in the region.



10. Research and innovation are key for technology upgrading, fueling industrialization and ensuring advances towards the development and adoption of green technologies. Most countries in the region have a relatively low performance in terms of research and technology. The data coverage for the key indicator *research and development expenditure as a proportion of GDP*, is highly patchy. Table 2 shows the most up-to-date figures on R&D as a % of GDP per country – the indicator ranges from 0.03%

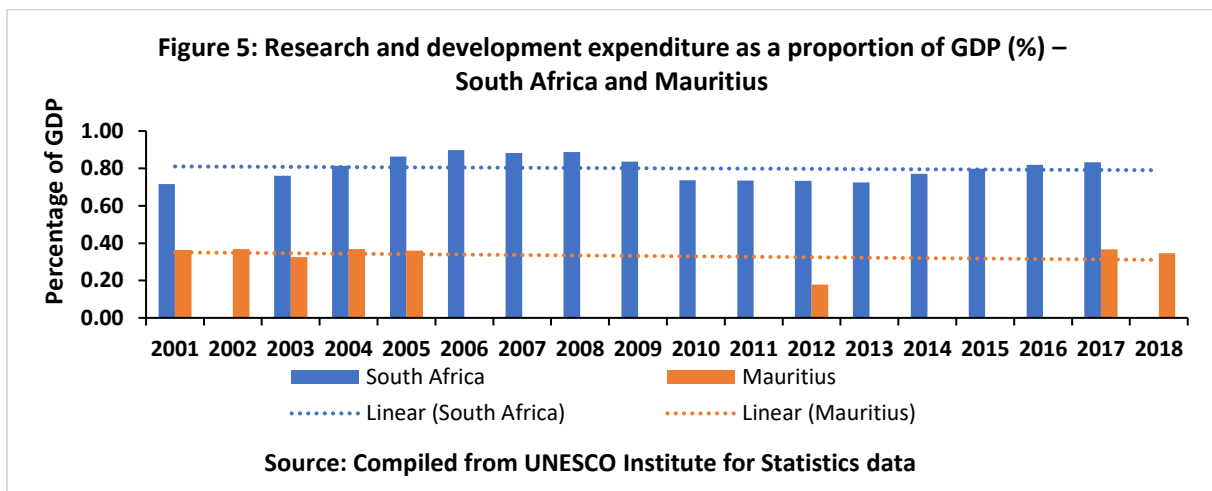
<sup>2</sup> Notes: IWW - Inland waterways transport; AIR – air transport; RAI – rail transport; ROA – road transport.

for Angola and 0.83% for South Africa. All these figures are well below the target of 1% of GDP, adopted by the AU Summit in 2006 in Khartoum. Only Mauritius and South Africa have sufficient, up-to-date data to draw trend lines. The trend line plotted in Figure 5 reveals a lack of a clear trend, and a significantly larger allocation of funding for R&D in South Africa.

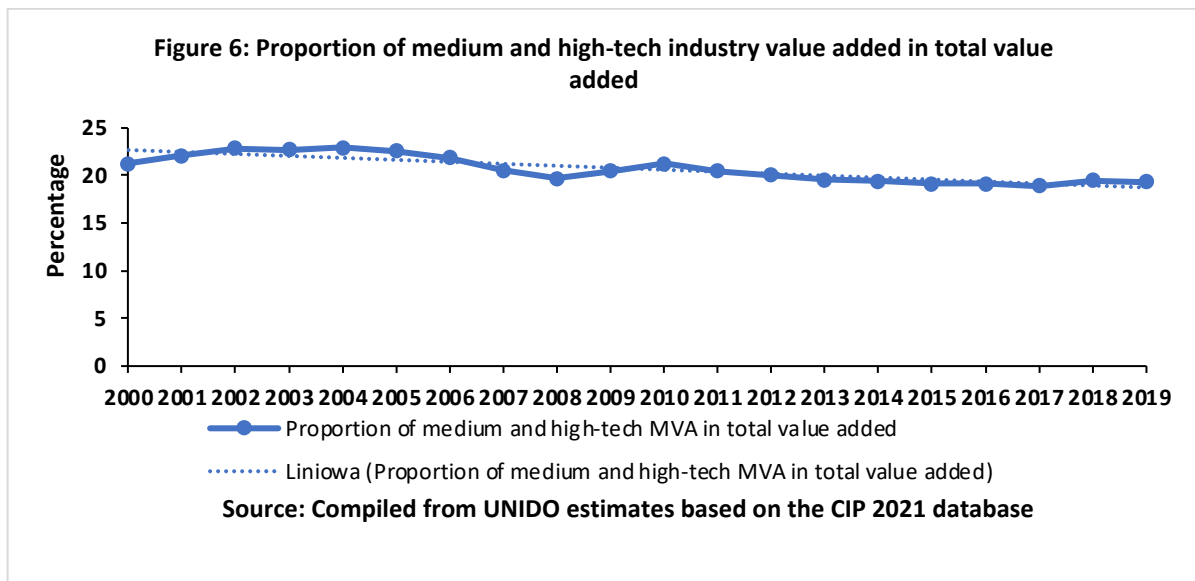
**Table 2:** Research and development expenditure as a proportion of GDP (%).

Country (no data available for Malawi and Zimbabwe)	Most recent data year	Research and development expenditure as a proportion of GDP (%)
Angola	2016	0.03229
Botswana	2013	0.53728
Lesotho	2015	0.05074
Mauritius	2018	0.34691
Mozambique	2015	0.31312
Namibia	2014	0.35209
South Africa	2017	0.83215
Eswatini	2015	0.26661
Zambia	2008	0.27819

Source: UNESCO Institute for Statistics. Data extracted on 01 April 2022.



11. Another important indicator is the proportion of medium and high-tech industry value added in total value added. The trend follows the patterns shown in Figures 2 and 6 with a value oscillating around 20%. This reveals that the overwhelming majority (around 80%) of total value added comes from economic activity not fueled by advanced technology.



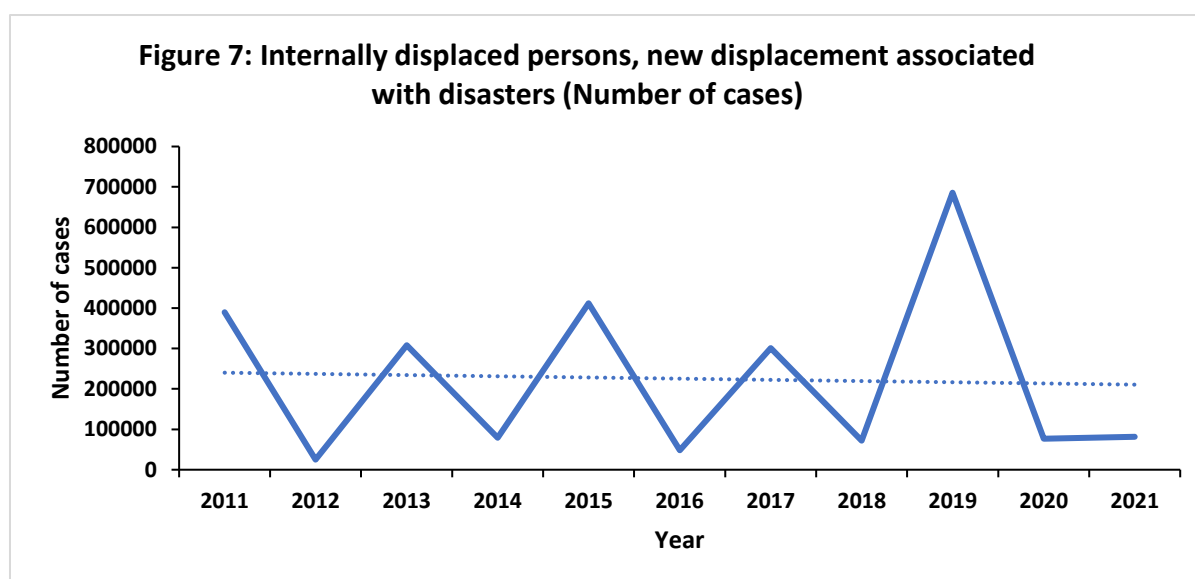
12. In terms of Agenda 2063 goals 1 and 4, the AUC (2020, 2022) assessed the region's performance in 2020 and 2022. The level of attainment of Goal 1, "A High Standard of Living, Quality of Life and Well Being for All Citizens", decreased from 54% in 2020 to 17% in 2022, largely due to a reduction in GDP per capita, associated with COVID-19 impact.

13. The trends and patterns indicated above do not present an encouraging picture. The region needs to sustain efforts towards industrialization, value chain development and diversification, in order to emerge from the twin crises of COVID-19 and the Russia-Ukraine conflict. The drive towards greening should serve as an opportunity for the region to leapfrog, especially through the adoption of renewable energy, as well as the adoption of solutions relevant to the region's context.

## B. SDG 13 – Climate Action

14. SDG 13 aims at taking urgent action to combat climate change and its impacts. Progress on this goal is measured by the number of natural disasters in terms of frequency and occurrences, number of deaths, missing persons affected by disasters in the region, and the strategies put in place to adapt to climate change. Due to insufficient data availability for SDG indicator 13.1.1, "Number of deaths and missing persons attributed to disasters per 100,000 population", was used as a proxy indicator. Figure 7 refers to the number of cases of internally displaced persons, new displacement associated with disasters in Southern Africa from 2011 to 2021. The region has experienced surges in the frequency of extremely severe natural disasters, with devastating effects.





Source: World Bank, 2022

15. Natural disasters occur every year in all countries of the region, but their frequency and intensity vary widely across geographical locations. Climate-related disasters are the most common reason for internal displacement in the Southern African region, unlike in other regions, where internal displacement is frequently attributed to violence and conflict<sup>3</sup>. Since 2000, Mozambique suffered the greatest adverse impact of disasters, largely attributed to Cyclone Idai, which hit Malawi, Mozambique and Zimbabwe in 2019<sup>4</sup>. According to Table 3, the highest number of internally displaced persons associated with disasters in Mozambique and Malawi was recorded in 2019 (Mozambique – 606,000; Malawi – 117,000). During the 2020-21 South-West Indian Ocean cyclone season, tropical storm Chalane was the first of three consecutive cyclones to strike Mozambique and surrounding countries including Malawi. However, the severity of the impact in terms of internal displacement was considerably less than in 2019.

Table 3: Internally displaced persons, new displacement associated with disasters by country<sup>5</sup>

Country Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Angola	227,000	6,400	2,500		5,600	19,000	14,000	11,000	6,700	15,000	22,000
Botswana			1,200	2,000	250		2,000	1,600		780	
Lesotho	3,400			2,600				1,400			730
Mozambique	22,000	10,000	186,000	21,000	61,000	7,000	170,000	31,000	506,000	25,000	44,000
Mauritius					1,400	300	100	3,600	1,000	110	

<sup>3</sup> IDMC (2019). *Africa Report on Internal Displacement*.

<sup>4</sup> CRED, (2019). *Disasters in Africa 20 Year Review: 2000-2019*. Brussels

<sup>5</sup> Note: Fields shaded in red color indicate, relatively higher numbers (above 20,000)

Malawi	25,000	6,200	33,000	600	343,000	9,500	84,000	20,000	117,000	29,000	600
Namibia	60,000	400	18,000	160	8		3,400	13	2	200	260
Eswatini								110			110
South Africa	52,000	2,000	18,000	3,500	14	12,000	15,000	2,100	1,700	370	10,000
Zambia			5,500	26,000	25		2,800	21	1,300	6,000	1,300
Zimbabwe			44,000	23,000	800	400	10,000	1,100	52,000	380	2,400

Source: World Bank, 2022

16. To tackle these challenges, all 11 countries have adopted policies and strategies to enhance their ability to combat the adverse impacts of climate change, and foster climate resilience. Importantly, all countries have developed National Adaptation Plans (NAPs), with most indicating adaptation as a priority. For example, Angola, Botswana, Malawi, Lesotho, Mauritius, Namibia, South Africa and Zimbabwe identified as a priority, meeting immediate adaptation needs and building adaptive capacity and resilience. Mozambique places special emphasis on prevention of natural disasters and improving early warning signs.

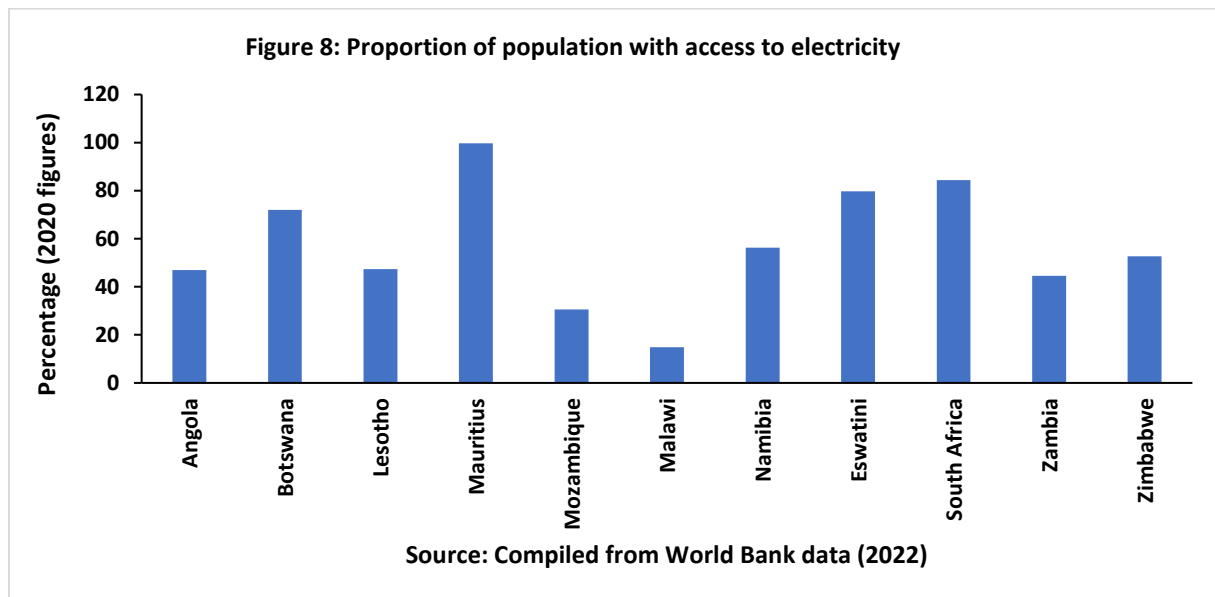
17. SDG 13 is linked to Agenda 2063's Goal 7, aimed at achieving environmentally sustainable and climate resilient economies and communities. The priority areas identified in Agenda 2063 are biodiversity, conservation and sustainable natural resource management, water security, climate resilience and natural disasters preparedness. According to AU<sup>6</sup>, the performance of the region in this regard has improved from 35% in 2020 to 100% in 2022. Notably, this goal is being measured by the percentage of agricultural land placed under sustainable land management practice, percentage of terrestrial and inland water areas preserved and percentage of coastal and marine areas preserved.

### C. SDG 7 – Ensure access to affordable, reliable, sustainable, and modern energy for all

18. SDG 7 calls for affordable, reliable, sustainable, and modern energy for all by 2030. Figure 8 shows the percentage of population with access to electricity in Southern Africa, with striking differences across countries. Access to energy is crucial for the attainment of health and education outcomes, reducing the cost of doing business and for unlocking economic potential and creating jobs. About 80% of people in the region live without access to electricity<sup>7</sup>. Figure 8 shows that Mauritius has the highest percentage of people with access to electricity followed by South Africa and Eswatini. Malawi has the least number of people with access to electricity followed by Mozambique then Zambia. Coverage in rural areas is much lower than in urban areas. The COVID-19 crisis has worsened the already low energy purchasing power of households.

<sup>6</sup> African Union, AUDA-NEPAD (2022) Second Continental Progress Report on the Implementation of Agenda 2063, AUDA-NEPAD, Johannesburg; African Union, AUDA-NEPAD (2020) First Continental Progress Report on the Implementation of Agenda 2063, AUDA-NEPAD, Johannesburg

<sup>7</sup> World Bank. (2020). *Electricity Access in Sub-Saharan Africa*

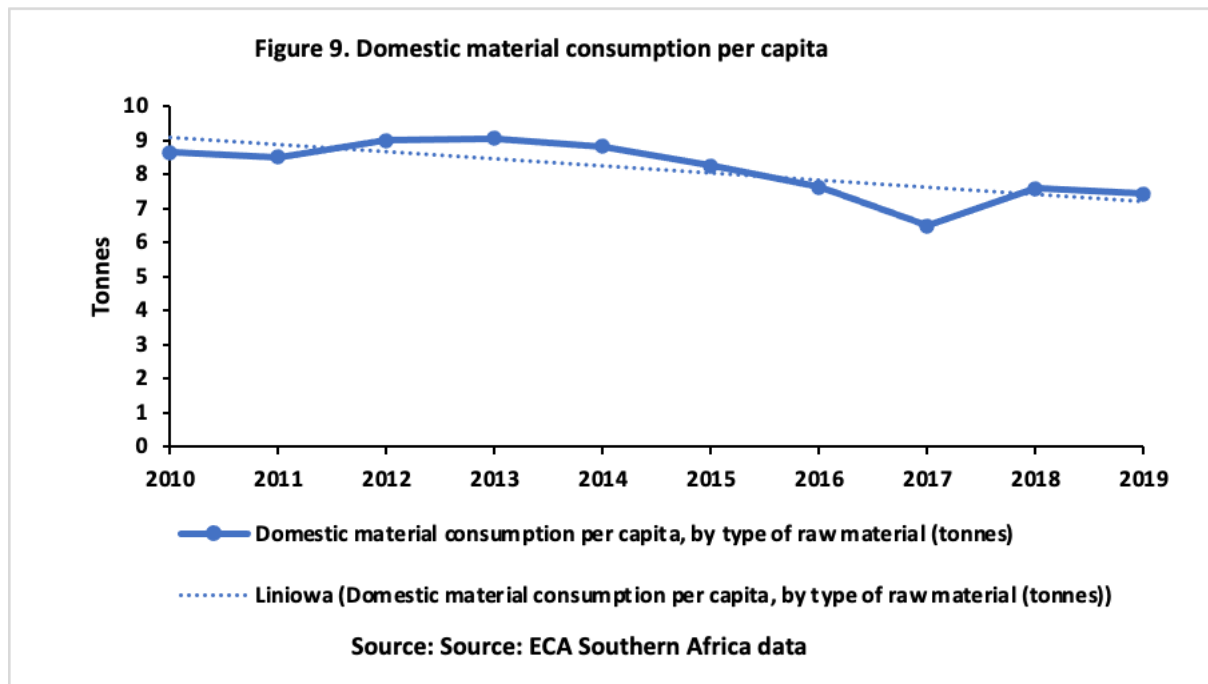


19. Goal 7 of Agenda 2063 - Environmentally sustainable and climate resilient economies and communities – has as a priority area, sustainable natural resources management, which encourages the use of renewable energy sources. The reliance on biomass slows down developmental progress, dramatically damages health and impairs productivity<sup>8</sup>. In order to effectively pursue the “greening” agenda, significant investments into renewable energy projects are required.

#### **D. SDG 12 – Responsible consumption and production**

20. SDG 12 pursues sustainable consumption and production patterns. Progress towards the Goal is measured based on a material footprint (domestic material consumption) indicator. Material footprint is the quantity of material extraction that is required to meet the consumption of a country. It is one indication of the pressures placed on the environment to support economic growth and to satisfy the material needs of people. Figure 9 shows that per capita domestic material consumption (DMC) in Southern Africa has experienced a declining trend. This indicates a gradual decoupling of economic growth and environmental degradation; a positive trend that should be encouraged in the drive towards green industrialization.

<sup>8</sup> African Development Bank. (2022). Light up and poer Africa – A new deal in energy for Africa



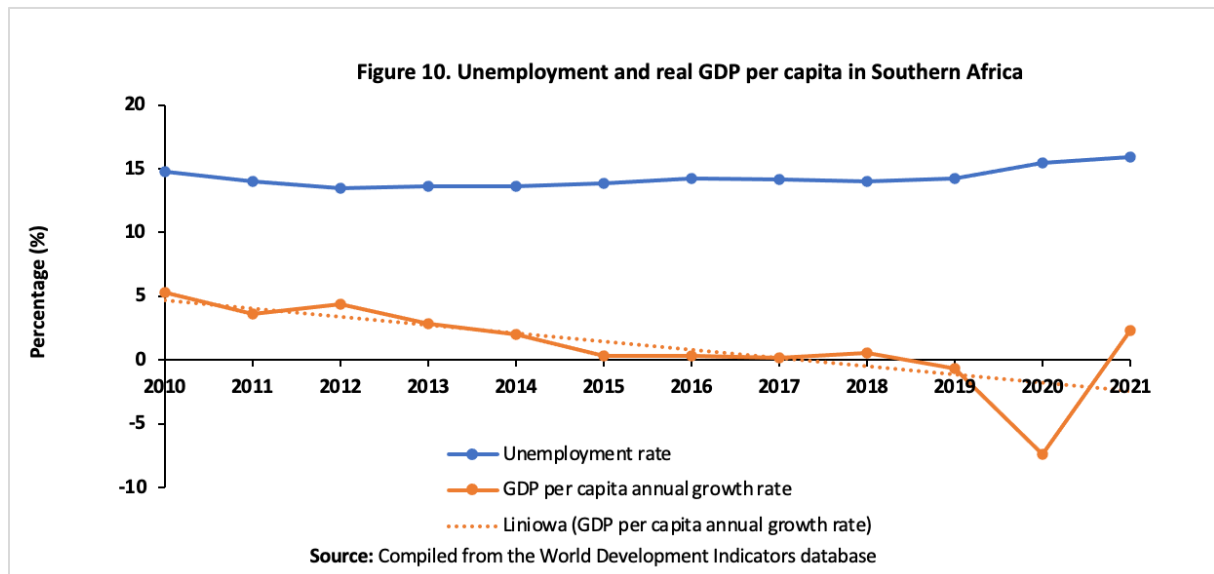
#### IV. Progress towards outcome-related SDGs

##### A. SDG 8 – decent work and economic growth

21. Within the SDG framework, progress is measured using the unemployment rate and real GDP per capita. As highlighted in Figure 10, over the last decade, the average unemployment rate for the region ranged between 15% and 16%. According to the World Bank, during this period, South Africa, Eswatini, Lesotho, Botswana and Namibia were major contributors to the region's unemployment rate, exhibiting rates of at least 20% on average. On the other hand, the region's real GDP per capita annual growth rate experienced a downward trend over the same period, reaching its lowest point of about 7.4% in 2020. All countries in the region recorded negative real GDP growth per capita annual growth rates in 2020, with countries such as Mauritius (-14.9%), Botswana (-10.6%), and Namibia (-9.5%) recording the lowest rates. The huge drop recorded in 2020 could be attributed to the adverse impacts of COVID-19 on the region. However, after 2020, the region witnessed a sharp increase in the real GDP per capita growth rate – reflecting the region's recovery from the pandemic. To ensure sustainable economic growth and decent work, Southern Africa should continue promoting green industrialization.

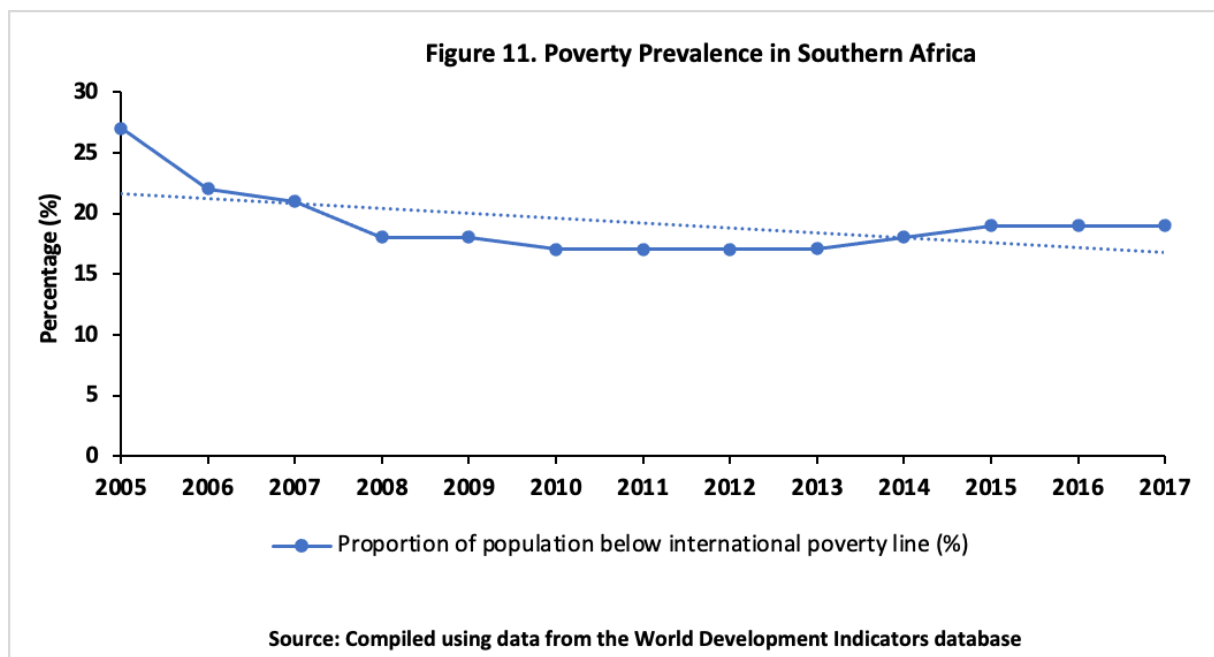
According to the AU<sup>9</sup>, achieving the corresponding Agenda 2063 Goal, namely Goal 1 – “A High Standard of Living, Quality of Life and Well Being for all” – remains a challenge for Southern Africa, with the region's score having decreased from 54% in 2020 to 17% in 2022.

<sup>9</sup> African Union, AUDA-NEPAD (2022) Second Continental Progress Report on the Implementation of Agenda 2063, AUDA-NEPAD, Johannesburg



## B. SDG 1 – no poverty

22. Almost 88 million people live in extreme poverty in Southern Africa, with at least 40 million more expected to face extreme poverty by 2040<sup>10</sup>. The region also accounts for about 9% of extreme poverty globally. Figure 11 shows the prevalence of poverty in the region between 2005 and 2017. Consistent with AU<sup>11</sup>, the figure demonstrates that poverty has been gradually declining in the region. The proportion of the population living below the international poverty line decreased from about 27% in 2005 to approximately 20% in 2017.



<sup>10</sup> Institute for Security Studies. (2017). *Extreme poverty set to rise across Southern Africa*. Institute for Security Studies (ISS).

<sup>11</sup> African Union, AUDA-NEPAD (2022) *Second Continental Progress Report on the Implementation of Agenda 2063*, AUDA-NEPAD, Johannesburg

23. Despite the poverty rate declining, the twin crises of COVID-19 and the Russia-Ukraine conflict may likely push more people into poverty according to World Bank<sup>12</sup>; the figure may reach almost 30 million people in 2022 in Sub-Saharan Africa. Thus, the region needs to identify strategies that could be exploited to ensure a continuous reduction in poverty. For instance, the region could raise its support for access to education and health. Evidence suggests that increased access to education and health reduces poverty by raising the probability of higher income from well-paying jobs. Fostering green industrialization can also significantly reduce poverty in both the short and long run. Green industrialization ensures sustainable economic growth, which is associated with high investment rates, job creation and high entrepreneurship levels, all of which increase wage-earning opportunities and consequently lower poverty.

### C. SDG 10 – reduced inequalities

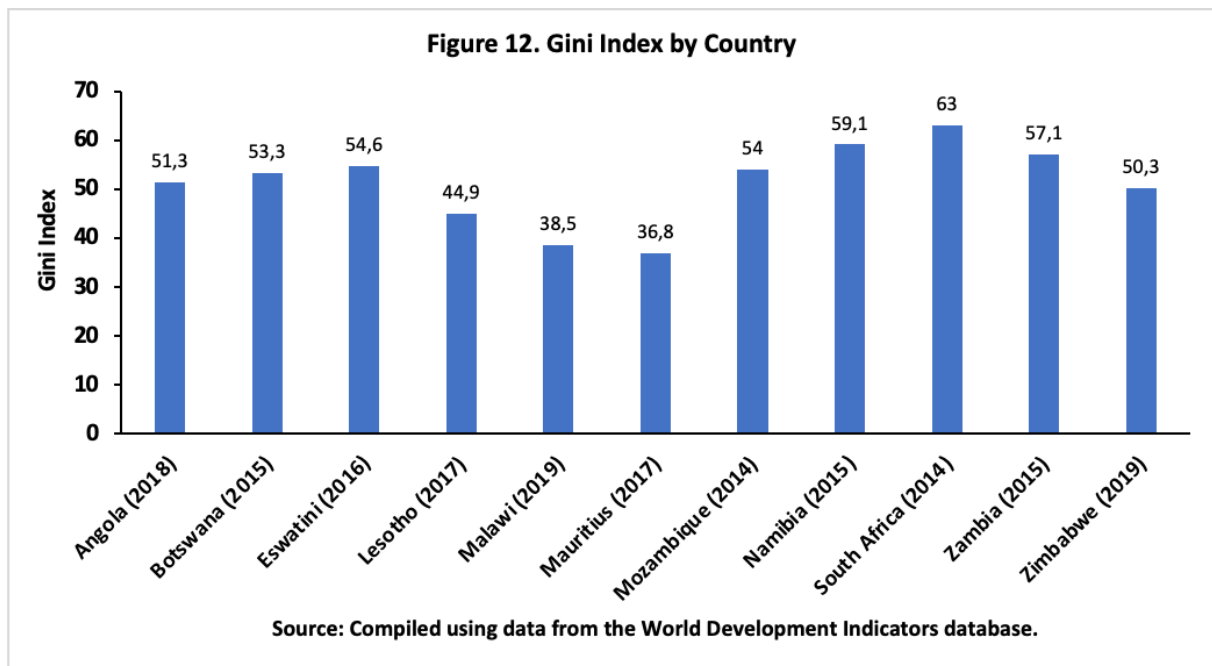
24. Southern Africa is the most unequal region in the world and contains the world's three most unequal countries – South Africa, Namibia and Zambia<sup>13</sup>. The Gini Index – a measure of income distribution across a population – is used in tracking progress towards reducing inequality. Figure 12 shows the Gini Index by country. Given data availability issues, the figure was drawn using the most recent available data for each country. The figure shows that inequality, as captured by the Gini Index, is lowest in Mauritius, while highest in South Africa. Moreover, all countries, except for Lesotho, Malawi and Mauritius have a Gini Index greater than 50, indicating high levels of inequality. The legacies of apartheid and colonialism are some of the leading drivers of inequality, coupled with the region's limited capacity to meet the needs of marginalized societies<sup>14</sup>. Additionally, external shocks such as COVID-19 have worsened pre-existing inequalities.

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<sup>12</sup> World Bank (2022). Pandemic, prices and poverty. Accessible at: <https://blogs.worldbank.org/opendata/pandemic-prices-and-poverty>

<sup>13</sup> OXFAM International. (2022). *Poverty and extreme inequality worsen in southern Africa as COVID-19 battered countries embark on a dangerous austerity path.*

<sup>14</sup> Sulla, V., Zikhali, P., & Cuevas, P. F. (2022). *Inequality in Southern Africa: An Assessment of the Southern African Customs Union.*



25. There is a need for the region to address inequality quickly, given that inequality undermines several development outcomes, including long-term economic growth, health and wellbeing, peace and stability, and the environment, among others.<sup>15</sup> To address inequality, the region must first promote equality of opportunity, which fosters longer-term prosperity and stability.

## V. Crosscutting SDGs

### A. SDG 4 – Quality education

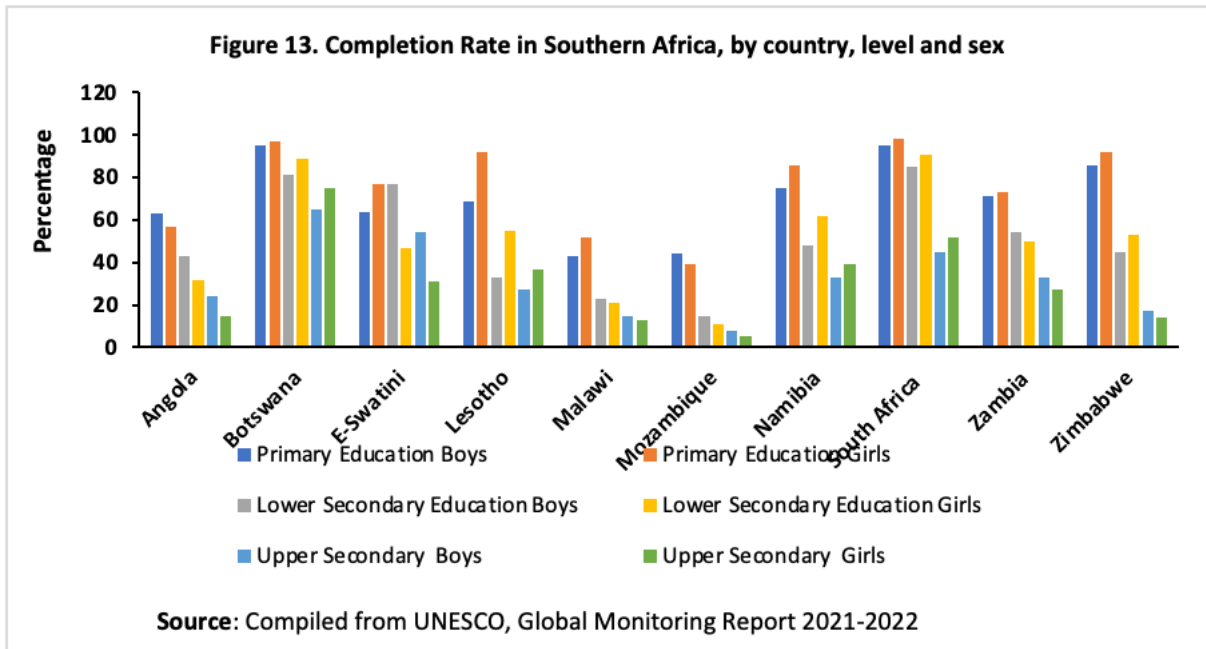
26. Education builds human capital, which in turn promotes economic growth, innovation, decent work, and the elimination of extreme poverty, and helps overcome gender and other inequalities. As such countries must strive to expand and transform their education systems. The SDG target 4.1 calls for universal access to 12 years of free primary and secondary education, with at least 9 years compulsory.

27. Figure 13 shows that many countries in Southern Africa are performing relatively well in the provision of quality and equal access to education at both primary and lower secondary level<sup>16</sup>. The ECA<sup>17</sup> projects a medium-term push by around 13.75% in completion rates across Africa by 2030 reaching 93% by 2050. However, the figure shows that progress at upper secondary level is still significantly lower for most countries within the region, with only South Africa and Botswana having a completion rate of above 50-60%, while the rest are still below 40%. For Agenda 2063 Goal 2 - “Well Educated Citizens and Skills revolution underpinned by Science, Technology and Innovation”, progress at the continental level has been steady, going from 24% to 44% between 2020 and 2022.

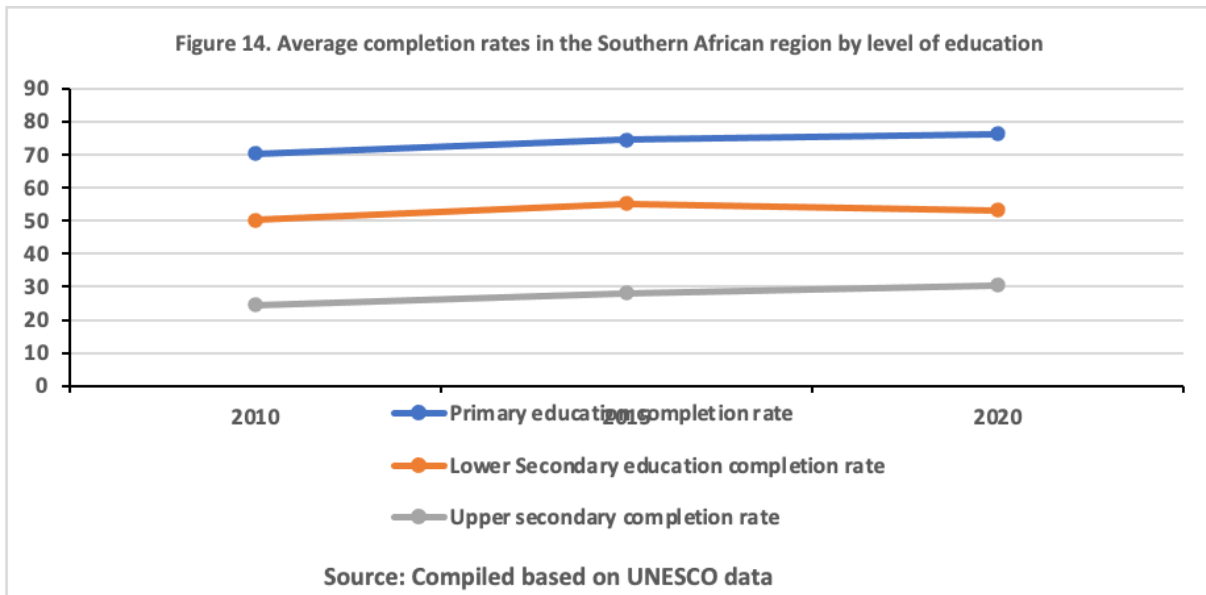
<sup>15</sup> See, e.g., Awaworyi Churchill et al., 2021; Ezcurra, 2019; Sulla et al., 2022). According to Sulla et al. (2022)

<sup>16</sup> Note: data for 2021-2022 unavailable for Mauritius

<sup>17</sup> ECA (2022) The 2022 Africa Sustainable Development Report. Addis Abeba (unpublished)



28. Figure 14 shows the regional average progress in terms of completion rate by education level. Across all three categories – primary, lower secondary and upper secondary education, the trend is positive. The average primary education completion rate of around 80% in 2020 across the region is promising. This corresponds with the findings of the AU<sup>18</sup> which has registered significant improvements in the proportion of qualified teachers in the areas of science, technology, engineering, and mathematics (STEM), increasing from 44% in 2013 to 51% in 2021 at continental level.



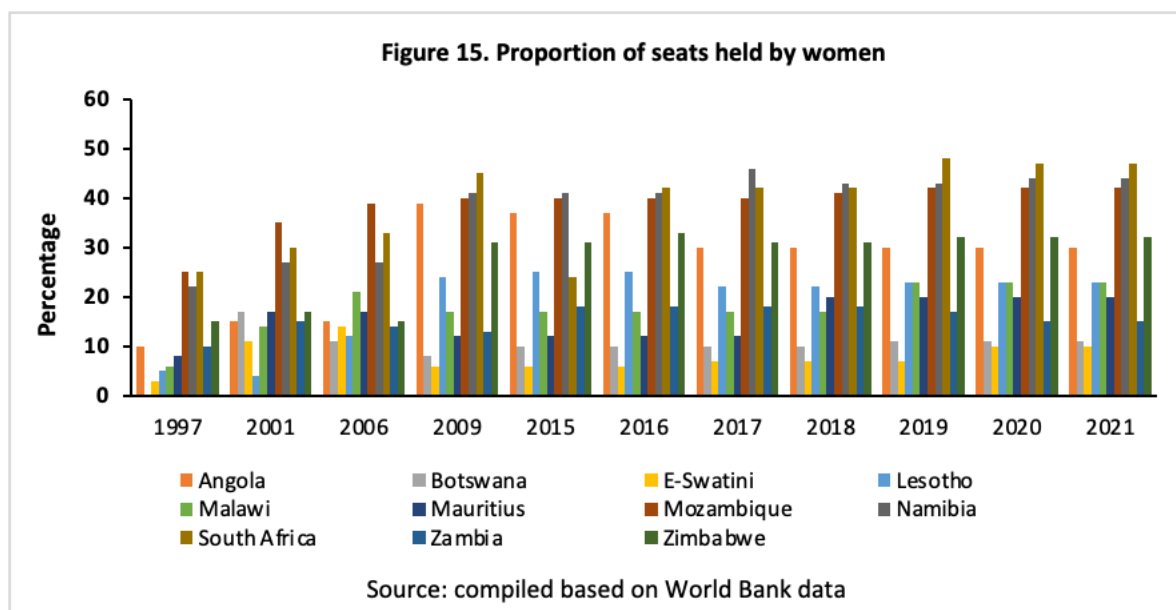
<sup>18</sup> African Union, AUDA-NEPAD (2022) Second Continental Progress Report on the Implementation of Agenda 2063, AUDA-NEPAD, Johannesburg



29. However, as indicated above, the limited completion rate for upper secondary education is limiting the capacity of the countries across the region to advance technologically, due to lack of qualified workers. The above could be attributed to the fact that most countries have adopted a free education policy at primary level while the secondary level has remained fee paying for most countries. Within the aspirations of building a sustainable green economy in the region, quality education and lifelong learning can help to ensure sustainable production and consumption patterns, supply skills for the creation of green industry, orient higher education and research towards green innovation, and play an important role in transforming key economic sectors, such as agriculture.

## B. SDG 5 – Gender equality

30. Women in political leadership create powerful role models and take decisions which represent broader parts of the population<sup>19</sup>. Figure 15 shows that growth in the proportion of women in politics is still significantly low within the region, in spite of a notable increase from 1997 to 2021. South Africa and Zimbabwe top the list with slightly over 40% of female representation, while Eswatini and Botswana lag behind with around 10% score as of 2021. This is attributed to the constitutional provision, other legal instruments and policies that have been established to promote women’s empowerment, including legal frameworks, as well as National Gender Policy and National Action Plan that have been approved in most countries<sup>20</sup>.



31. Table 4 shows that the share of women in leadership roles has remained significantly low across the region, with only a few notable examples such as South Africa, Namibia or Mozambique scoring around 40-50% in 2020. This indicates that opportunities for women and girls in terms of economic and political engagement within the region are still stagnating. This compromises efforts towards attaining both the SDGs and Agenda 2063 Goals, as women’s full and effective participation and equal

<sup>19</sup> World Economic Forum (2022). *Global Gender Gap Report 2022*

<sup>20</sup> African Union, AUDA-NEPAD (2022) *Second Continental Progress Report on the Implementation of Agenda 2063*, AUDA-NEPAD, Johannesburg

opportunities in leadership positions at all levels of decision making in political, economic, and public life are critical to this endeavour.

Table 4., Proportion of women in Managerial Positions in Southern African countries

<i>Country</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
<i>Botswana</i>	-	-	54.2%
<i>Lesotho</i>	-	-	33.78%
<i>Mauritius</i>	-	30.8%	31%
<i>Namibia</i>	48.6%	48.20%	-
<i>South Africa</i>	35.2%	33.9%	33.3%
<i>Zambia</i>	28.5%	40.3%	30%
<i>Zimbabwe</i>	-	-	33.70%

Source: UNESCO Institute for Statistics

32. There is a strong evidence base for why gender matters for effective greening of economies<sup>21</sup>. Evidence has shown that women bring in additional value in aspects such as social and economic development; consumption patterns; access and use of knowledge; approach to environmental issues; ecological footprints; and management of the environment. Incorporating all these differences to engender green industrialization is critical, and has significant benefits for economic efficiency, social equity, and environmental sustainability.

## **VI. Selected means of implementation/ enablers**

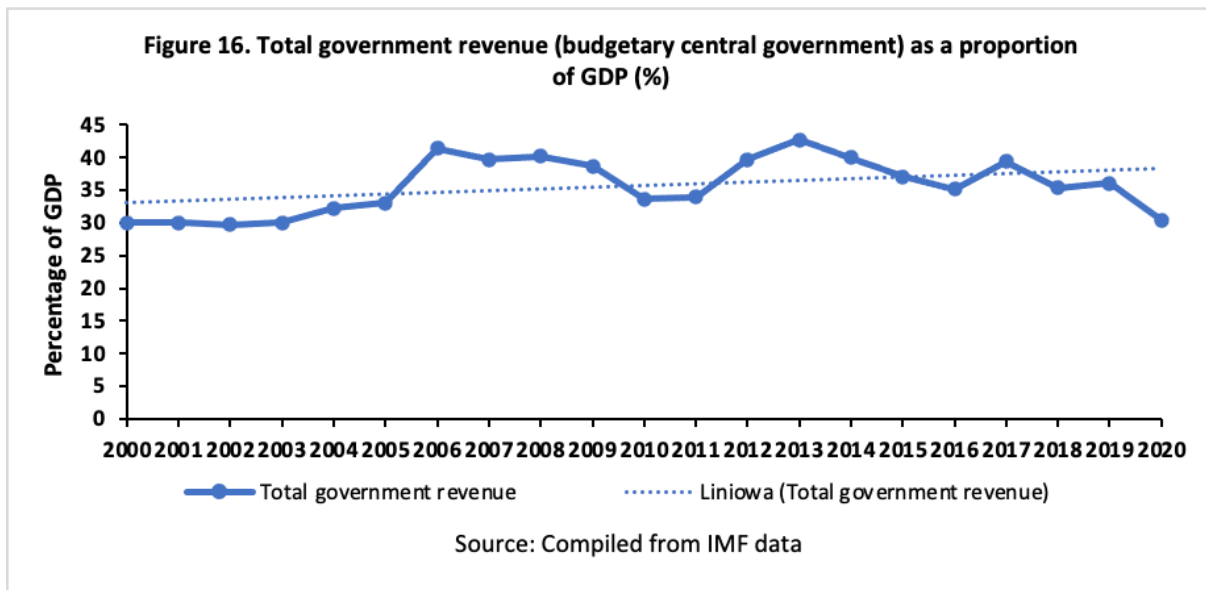
33. SDGs 17 and 16 of Agenda 2030 spell out means of implementation or enablers. SDG 17 – Partnership for the goals embody enablers such as finance, trade, SDG integration, science, and technology, while SDG 16 deals with peace, justice, and strong institutions. The present section discusses progress towards achieving the agreed targets in these areas.

### **A. SDG-17– partnerships for the goals**

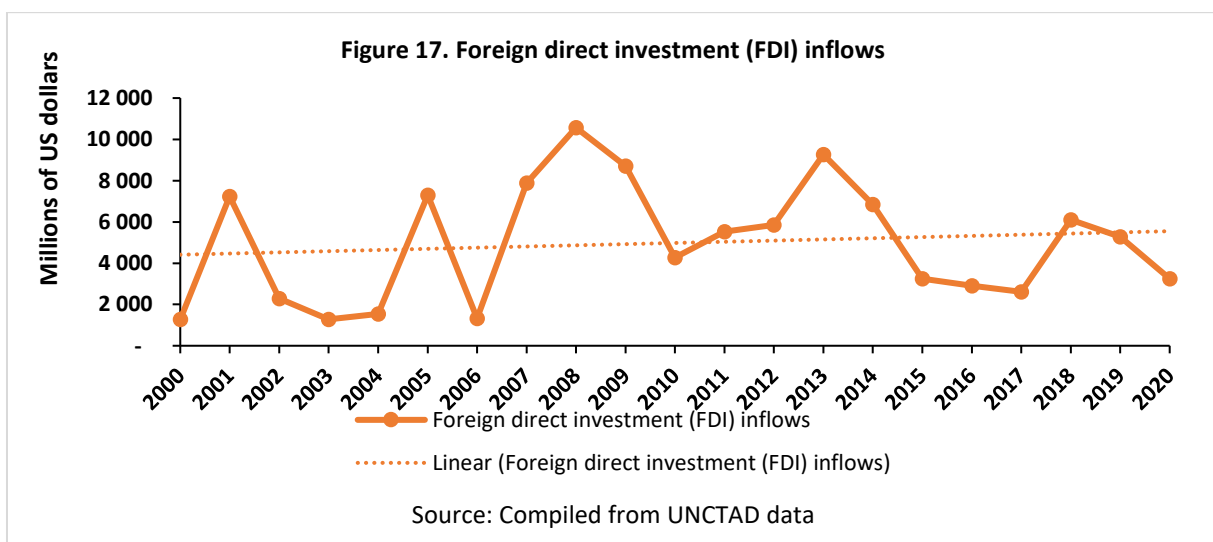
#### ***i. Finance***

34. Finance is critical to achieving the SDGs, as development outcomes require resources for investment. In that context resources for the SDGs can be mobilized through various sources, including Domestic Resource, Overseas Development Assistance (ODA), Foreign Direct Investment (FDI), tackling debt, as well as through innovative sources such as remittances, stemming Illicit Financial Flows (IFFs) and leveraging climate finance and green bonds, among others.

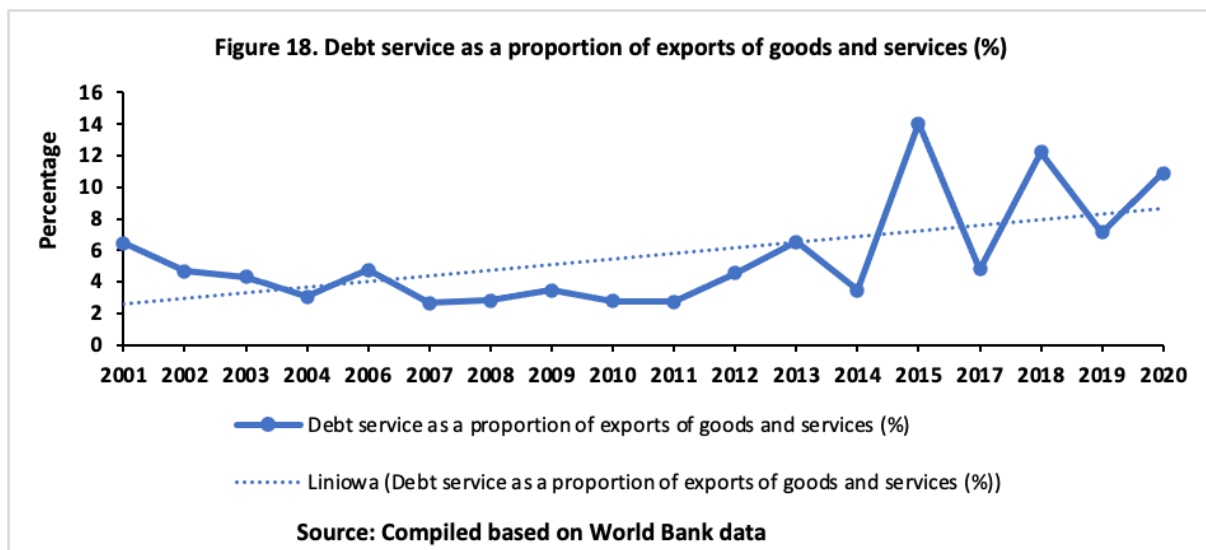
<sup>21</sup> See for instance UNEP. (2011). *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*.



35. As seen in Figures 16 and 17, some positive trends are observable in the financing landscape. The total government revenue as a proportion of GDP has revealed an average positive trend across the region (Figure 16), showing an increasing overall capacity of governments to mobilize resources. The performance has deteriorated recently, possibly due to COVID-19 and the overall limitation in economic activity it has triggered, pointing to a need for continued capacity building in terms of DRM. While highly volatile, performance in terms of the capacity of the region to attract FDI shows a positive trend overall (Figure 17), indicating growing confidence of the investors in the region. The decrease observed since 2013 may have been amplified in 2020 by the COVID-19 pandemic, which restricted investors' overseas activities.



36. A bleaker prospect is depicted in Figure 18, showing the debt service pattern as a proportion of exports of goods and services, pointing at the growing cost of servicing the ever-increasing debt. This trend is likely to continue, as many countries have tapped external resources to cover the additional financing needs to tackle the impact of COVID-19 and Russia-Ukraine conflict.



37. Financing is critically important in the context of the *greening industrialization* agenda. There is a current financing gap of USD 94.8 trillion to help emerging markets reach net zero by 2060<sup>22</sup>. Traditional energy sources such as coal and gas will continue to dominate in developing countries as long as they are cheaper. It is only through ensuring the appropriate scale that the green industrialization may really kick off. ECA has been a leading advocate on innovative financing for the green transition, including by the promotion of Green, Social, and Sustainable (GSS) bond markets, as well as debt-for-nature swaps, among others. Green bonds have been used to finance infrastructure, for instance large hydropower dams in South Africa. 40 percent of global blended finance is used towards climate funding<sup>23</sup>, showing that the proposed policy action is gaining traction. There is a need to embrace innovative technologies to democratize the opportunities in sustainable finance including scaling up blended finance, just transition financing loans and carbon markets.

## ii. Trade

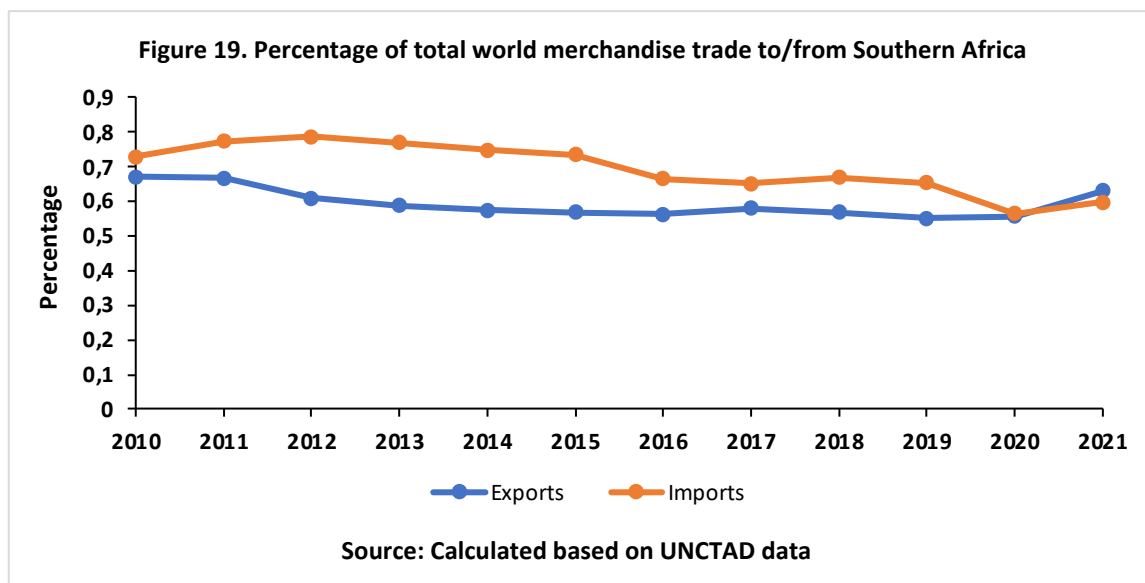
38. Trade, especially intra-regional, is perceived as an enabler of SDGs attainment, as it stimulates economic growth and entices structural transformation of economies. For the purposes of the present report, the SDG indicator of “Developing countries’ and least developed countries’ share of global exports” is contextualized as the percentage of total world merchandise trade to / from Southern Africa.

39. Figure 19 shows that both exports and imports from and to Southern Africa contribute a very small share of the total world merchandise trade. The trend in exports has recently been positive, pointing towards the possible future gains emerging from the implementation of the AfCFTA. Trade promotion is an important policy component of the greening industrialization agenda, as it may help it in several ways. First, due to the changing geopolitical situation, there is a vast market opportunity for

<sup>22</sup> WEF (2022). *Here’s why developed economies must bear the \$100 trillion cost of the net-zero transition in emerging markets*. Accessible at: <https://www.weforum.org/agenda/2022/04/emerging-developed-economies-net-zero-transition/>

<sup>23</sup> Climate Policy Initiative (2021). *Global Landscape of Climate Finance 2021*

trade in energy generated from renewables, notably with Europe. Some countries, such as Namibia, are trying to tap this opportunity, using solar energy to generate clean hydrogen. Secondly, an optimal trade environment can facilitate transfer of technologies key for speeding up the green transition. Finally, some key trading partners (notably the EU) are undertaking trade policy reforms meant to provide preferential treatment to import goods developed in a sustainable manner. The AfCFTA agreement recognizes the *acquis* principle to facilitate its implementation. In this regard, SRO-SA is conducting a study on accelerating the implementation of the agreement building on the *acquis* of the RECs Free Trade Areas (FTAs). The study among other things, aim to foster a coordinated and complementary implementation of the AfCFTA and the RECs FTAs.

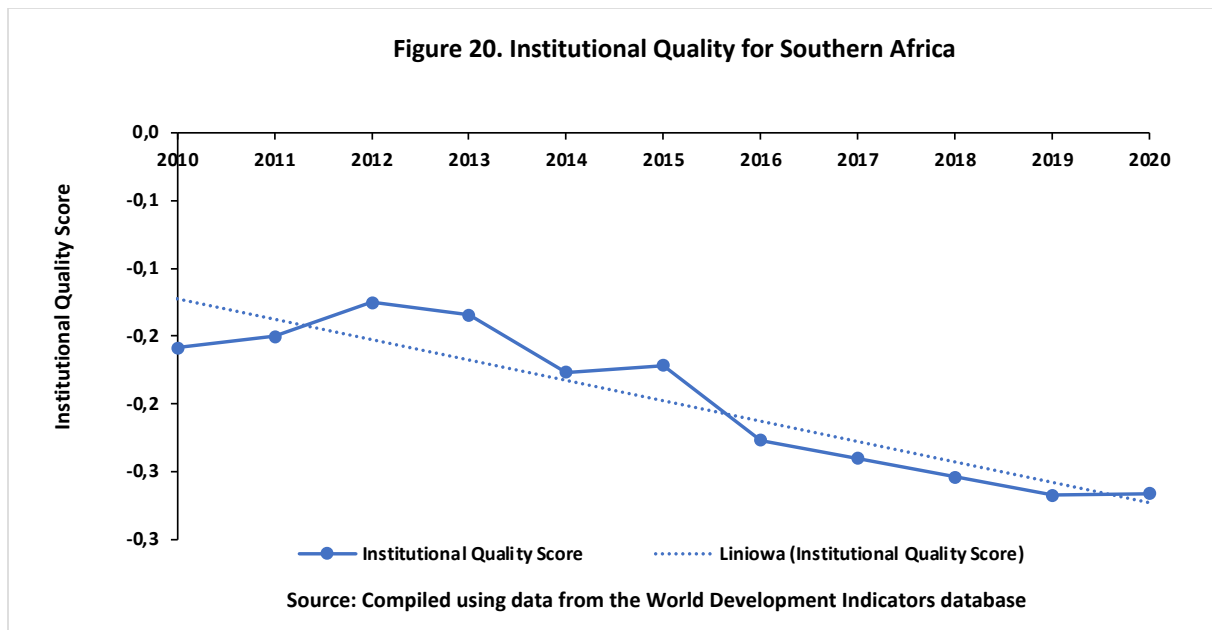


## B. SDG 16 – peace, justice, and strong institutions

40. SDG 16 is an important prerequisite for achieving all the other goals. The Goal seeks to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. However, for the purposes of the present report, the focus is on institutions, which according to SDG 16, should be built on respect for human rights, the effective rule of law, and good governance at all levels.

41. Figure 20 shows the region's institutional quality score from 2010 to 2020. Following the existing literature<sup>24</sup>, The institutional quality country score is obtained by taking the average of the six World Bank's World Governance Indicators (political stability, the rule of law, control of corruption, regulatory quality, government effectiveness, and voice and accountability). Negative scores represent poor institutional quality, while the opposite is true for positive scores.

<sup>24</sup> See, e.g., Easterly, W. (2007). Inequality does cause underdevelopment: Insights from a new instrument. *Journal of development Economics*, 84(2), 755-776.



42. The figure shows that the region is characterized by poor institutional quality. This finding is in accordance with the AU<sup>25</sup> which shows that the region's performance towards establishing strong institutions is at 0%. Specifically, as highlighted in the figure, the institutional quality score for the region has been negative and followed a downward trend.

43. According to World Bank data, on average, the only countries that exhibited good quality institutions over the period were Mauritius, Botswana, Namibia and South Africa. In this regard, to ensure the rest of the countries (i.e., those with poor institutional quality) achieve the other SDGs, they should strengthen their institutions. Notably ECA<sup>26</sup>, recognizes the need to commit to strong, proactive and responsible governance frameworks based on a long-term vision and strong institutions that build trust and cohesion and create a conducive environment for sustainable development.

44. Studies also demonstrate that building strong institutions is crucial for greening industrialization<sup>27</sup>. According to these studies, effective and well-functioning institutions provide sound legislation (e.g., proper laws, regulations, and property rights) and ways to combat corruption, which, if systematically followed, will encourage business entities to adopt clean technologies and green production processes, thus reducing carbon dioxide emissions and environmental degradation.

<sup>25</sup> African Union, AUDA-NEPAD (2022) Second Continental Progress Report on the Implementation of Agenda 2063, AUDA-NEPAD, Johannesburg

<sup>26</sup> UNECA. (2022). *2020 African sustainable development report: Towards recovery and sustainable development in the decade of action*

<sup>27</sup> Ali, H. S., Zeqiraj, V., Lin, W. L., Law, S. H., Yusop, Z., Bare, U. A. A., & Chin, L. (2019). Does quality institutions promote environmental quality? *Environmental Science and Pollution Research*, 26(11), 10446-10456.; Ameer, W., Amin, A., & Xu, H. (2022). Does Institutional Quality, Natural Resources, Globalization, and Renewable Energy Contribute to Environmental Pollution in China? Role of Financialization. *Frontiers in public health*, 10.

## VII. Conclusion and recommendations

45. Progress towards the SDGs and related Agenda 2063 Goals, particularly those relevant for the green industrialization agenda, remains mixed and uneven across the Southern African region. Positive trends have been registered for some key enablers of economic transformation– notably, access to electricity, completion rates across all education levels, women in political leadership and growth in the inflow of FDI. However, gains made have not translated into a strong performance in terms of manufacturing value added and the proportion of medium and high-tech industry value added in total value added. Additionally, the debt burden has risen significantly as a result of Covid-19 and the ongoing Russia-Ukraine conflict. Furthermore, climate change impacts continue unabated, evidenced in the frequency and severity of extreme weather events. Moreover, poverty and inequality remain key challenges for the region, aggravated by the impact of the COVID-19 pandemic, with a bleak outlook given the ongoing Russia-Ukraine conflict.

46. Their impacts notwithstanding, the twin crisis presents the region with the opportunity to build back better and stronger by riding the wave of the green economy transition enabled by among others, innovation and the application of new technologies. In addition to traditional sources of financing, new and innovative sources such as climate finance and green bonds are critical to leverage the level of resources required for the green industrialization drive. Investments in infrastructure, human resources, education and improving social conditions, as well as strong institutions are critical to green economic transformation across the region.

47. Addressing the impacts of climate change through adaptation and mitigation measures presents opportunities to build resilient economies and communities, and significantly contributes to greening industrialization. The Nationally Determined Contributions (NDCs) being developed under the Paris Agreement and the NAPs provide opportunities to tackle the climate change challenge in the region, and contribute to the attainment of the SDGs and Agenda 2063 goals. Countries should take advantage of COP 27 otherwise referred to as the African COP scheduled to take place in Egypt this year, to clearly articulate their position on energy access and security, including renewable energy. This should include a strong call for a just transition, access to appropriate and environmentally friendly technology and investments that embody innovation in their common position to the Conference.

48. In order to reduce inequalities and improve the education enrolment rates, countries need to expand social safety nets, implement antidiscrimination measures, improve labour standards, and introduce measures to end all forms of modern slavery, trafficking, and child labour. More attention should be paid to secondary and higher levels of education to ensure that learning institutions produce qualified and skilled workers that can meet the demands of an increasingly sophisticated market, particularly in this era of the fourth industrial revolution and a highly interconnected global economy. Investments in research and development should complement these efforts. In addition, countries must recognize that gender matters, and take deliberated measures to achieve gender equality and women’s empowerment targets. Engendering green industrialization has significant benefits for ensuring the sustainability of interventions.