Eighth Session of the Africa Regional Forum on Sustainable Development

“Building forward better: a green, inclusive and resilient Africa poised to achieve the 2030 Agenda and Agenda 2063”

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Global solidarity, shared responsibility, streamlining cooperation and fostering of means of implementation for building forward better towards fast-tracking sustainable development - ECA/RFSD/2022/9

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Finance

- Unexpected contraction of GDP
- 3.2% increase of GDP in 2019 vs 3.2% contraction in 2020
- Debt/GDP: 66% in 2021 vs -22 countries: 62-65%
- Revenues: 20% GDP vs Public exp: 27% GDP fiscal deficit of 7.6% 2020
- ODA has historically been a relatively resilient means of finance: rose by 4.1 per cent in real terms to $39 billion
- FDI and remittance flows fell due to high transfer cost
- Lost of $88.6 billion per year through illicit financial flows
- Financing gap, initially estimated at $1.3 trillion per year and expected to reach $19.5 trillion by 2030
Growth - Fiscal & Debt

- Pandemic mitigation measures widened Africa’s total fiscal deficit to 7.6 in 2020 from 4.2% the previous decade
- In 2021 deficits returned to more normal levels but remain elevated
- Southern Africa overtook Northern Africa in 2021 as the region with the largest deficit
- Deficits remain a challenge for many African countries moving forward

Africa’s debt-to-GDP ratio reached 66% in 2020 and 2021 up from 47% over the decade prior
- Through 2021 oil and commodity price increases have allowed Africa’s debt-to-GDP ratio stabilize
- 21 African countries are ‘at high risk’ or are in ‘debt distress’ according to the IMF
- Initiatives like the G20 DSSI have helped alleviate debt vulnerabilities for eligible African nations
Finance : way forward

- Efficient domestic resource mobilization

- Improve emergency financing instruments : the Debt Service Suspension Initiative, special drawing rights

- Curbing the illicit losses of financial resources through institutional reforms and capacity-building

- Promote appropriate and innovative tools and frameworks, including integrated national financing frameworks, for greater efficiency and efficacy in resources management
Techologie

- Need to elevate STI in both policy and implementation particularly giving priority to investing in R&D reach at least 1%
- North-South and South-South research partnerships have continued to grow but technology collaboration remains weak vs debate around IPR
- Low absorptive capacity in Africa for technology. For example, Africa accounts for a mere 0.3 per cent of the global $2.3 trillion of high-tech exports, despite constituting 2 per cent of the world's researchers

- Increase investment in R&D, support national sectorial and regional innovation systems, invest in human capital
- Technology should be considered a global public good, in particular in the face of a pandemic.
- Develop and adopt clear policies on emerging bioscientific, digital, renewable energy and advance material (nano) technologies to build the sound scientific, technological and industrial base
AfCFTA en essential tool for economic recovery and boost for the implementation of the two Agendas

African economic prospect depend on expanding value chains to support manufacturing and job creation

AfCFTA can help reduce dependency on global commodity markets and vulnerability to exogenous shocks.

Intra-African trade is projected to rise by 35 per cent, boosting competitiveness to support further industrialization and economic transformation in 2045

Promote cross-border electronic contracts and strengthen an harmonised regulatory framework for digital trade and e-commerce.

Development of regional value chain and manufacturing industries; E-commerce

Learn from Central Bank Digital Currency to support transaction and

Pan-African Payment and Settlement System (PAPSS), which makes it easy to exchange multiple African currencies.
Top three investment areas in terms of return on investment based on ECA case studies

**Republic of South Africa**
- Renewable energy
- Low-emissions transport
- Natural capital investments

**Democratic Republic of the Congo**
- Utility-scale Renewable Energy & Power Lines
- Minigrids and Microgrids
- Natural capital investments

**RSA Return on investments in green sectors (%)**
- Parks
- Electric vehicle infrastructure
- Onshore wind

**DRC Return on investments in green sectors (%)**
- Minigrids
- Utility scale solar
- Irrigation

- The AfCFTA and intra-African trade has the ability to put Africa on a path to sustainable growth through investments in green infrastructure
- ECA Estimates show the impact of green investment relative to fossil-based fuel investment
  - Estimates of returns exceed 200% in many areas
COVID-19 has highlighted the urgent need of reliable, quality, independent UpToDate data

The use of emerging technology/modern system become crucial

Positive sign observed in 2021 107 to 184 indicators were available in 2021 compared to 103 to 177 in 2020

African group on the transformation and modernization of official statistics.

innovation, digitalization to increase statistic system resilience to possible future shocks and to facilitate the production of data
Most of African countries have started investing in CD before COVID-19 but diverge investment after COVID-19 pandemic has propelled the redesign of in-person capacity building to digital training.

Digital delivery has enabled capacity-building service providers to reach many more countries and beneficiaries with mainly increased of women.

COVID-19 crisis has compromised the delivery of in situ activities that require hand-on practice.

Promote innovative action to strengthen national capacities for data collecting and analysis, use of innovative technologies and big data.
THANK YOU!

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