

*Side event jointly organized by the Subregional Office for Southern Africa, the Government of Angola and the Resident Coordinator Office in Angola*

## **Impact of the crisis in Ukraine on development financing in Africa: examples from selected countries**

### **Background**

Since 2020, African countries have been striving to address the effects of the coronavirus disease (COVID-19) pandemic and rebuild their economies, with varying degrees of success. The situation has become more complex to manage with the fallout from the crisis in Ukraine, which has already generated gains and losses for countries around the world, depending on their specific situations. For instance, the crisis has led to a rise in oil and gas prices, which will benefit oil- and gas-producing countries. In that context, it would be prudent for such countries to consider creating or reviving sovereign wealth funds to ensure that those gains are used effectively over time. However, higher oil prices also provide an incentive to develop alternative sources of energy. Food-importing countries, meanwhile, will be hurt by the increase in agricultural prices, which will have deleterious effects on the poor.

The anticipated knock-on effects must be addressed through appropriate policy responses to ensure that financial resources are managed sustainably and to minimize costs. What will be the social, economic and environmental effects of the crisis in African countries and how should they respond? What are the expected gains and losses for oil-producing and non-oil-producing countries? How will the crisis affect the COVID-19 recovery strategies of African countries, including their financing strategies?

### **Objective**

The main objective will be to stimulate reflection on and discussion of the impact that the crisis will have on the sustainable development of African economies

and their financing needs, using Angola, Mozambique and South Africa as examples. Participants will work to understand the channels through which the knock-on effects of the crisis will occur. They will also assess the expected gains and losses arising from the crisis and how those will vary according to the trade and economic profile of each country. Lastly, they will estimate the effects of the crisis on fiscal space, external balances and debt sustainability, to determine the optimal policy responses for African countries.

### **Expected outcomes**

The side event will:

- Provide a guided assessment of the potential effects of the crisis on the sustainable development and financing needs of Africa
- Highlight the opportunities and challenges of the crisis for trade, industry and finance on the continent
- Provide an opportunity to reflect on policy options and formulate recommendations for African countries according to their specific situations

### **Target audience**

- Officials and policymakers from ministries of finance, economic planning, trade and industry
- Representatives of civil society and the private sector

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