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Statutory issues

New strategic directions of the Economic Commission for Africa: putting ideas into action for an empowered and transformed Africa

Note by the Executive Secretary

A. Background

1. The year 2018 marks the sixtieth anniversary of the establishment of the Economic Commission for Africa (ECA). The occasion presents an opportunity to reflect on the contribution of ECA, as a key player on the African institutional landscape, to the task of tackling the continent's development challenges. Over the last 60 years there have been substantial advances on the development and as such priorities are shifting and new challenges are emerging for the continent. ECA's anniversary – a diamond jubilee – also offers an opportunity to take stock of the Commission's achievements and reposition itself to respond to the new and emerging challenges and continental priorities as well as aspirations of continental institutions and member states. The Secretary General, in addition, is making collaboration with the African Union a priority, as well on a substantive level, the need to link development priorities with issues of peace and security. This requires a rethink of ECA's positioning.

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3. Realigning ECA activities with the demands of the member states is an essential element of our success and relevance. In pursuit of its mandate, ECA has periodically scanned the development environment and has instituted a range of organizational transformations and renewals to position itself to ensure that it remains relevant to the needs and aspirations of its member States and can respond to emerging needs and challenges. The last restructuring exercise, undertaken in 2013, refocused the Commission's programmes to make them more responsive to the transformative agenda of Africa. Since 2013, however, there have been significant developments at the global and regional levels that warrant further reforms by ECA to ensure that it can effectively implement its mandate and respond to the evolving needs of its member States. The new reform is proposed with this as the backdrop.

* E/ECA/COE/37/1.

B. Rationale for strategic repositioning of the Commission

4. A decade after the global financial and economic crisis, Africa finds itself in a new macroeconomic environment. Countries that were attracting huge volumes of foreign direct investments (FDI) are no longer doing so. Oil-rich African countries that benefited from rising oil prices have witnessed serious economic downturns. This macroeconomic environment is being further strained by shifts in the domestic policies of emerging economies such as China, which are rebalancing their sources of growth. African economic growth recovered in 2017 but the rate of growth is still far below the double-digit growth needed for structural transformation, poverty reduction and increased prosperity as envisioned in the Agenda 2063 and the 2030 Agenda for Sustainable Development.

5. The current patterns and quality of growth in the region are leaving large segments of the population trapped in poverty and vulnerability. The deep and persistent inequalities across the continent have economic, social and political consequences. In the long run, these elements run the risk of undermining economic growth, productivity and the development of markets and could create conditions for open conflict and social unrest, as the recent experience of some African countries, in particular those in North Africa, has shown with the Arab Spring. Increasingly, there is consensus regarding the urgent need to ensure that growth is accelerated, sustainable and inclusive.

6. In order for Africa to grow and evolve, it is imperative that it transform structurally and diversify its economies. The current merchandise export structure, dominated by raw and unprocessed commodities, is not conducive to the envisaged level of development. African countries must diversify their sources of growth to reduce the vulnerability of their economies to internal and external shocks.

7. If Africa is to attain the desired outcomes of both the 2030 Agenda and Agenda 2063, a major change in the understanding, treatment and creation of a growth-enhancing macroeconomic environment is required. This change must look at the interface with development beyond the narrow focuses on stabilization and growth and be conceived in an integrated multisectoral perspective.

8. Africa must strengthen its own resources to tackle the macroeconomic issues that are undermining more inclusive and sustainable growth. The continent's ability to deal with new and emerging challenges is predicated on its ability to stabilize and grow its economies, primarily by mobilizing its own resources. To meet this challenge, African Governments need to build robust governance systems to support effective public sector management, to mobilize domestic resources, to combat illicit financial flows, to reform tax policies, and build robust formal private sector actors.

9. If African countries are to thrive in the constantly changing and dynamic global environment, it is critical that they have a robust governance system in which the authority of the State is perceived as legitimate and there is predictability about how agents are expected to act. The presence of such a governance system would also make Africa an attractive continent in which people are happy to live, work and invest.

10. The private sector's role in financing Africa's development will continue to grow. The private sector can provide innovative and efficient ways of delivering infrastructure and other solutions for the continent. Most important, by mobilizing private sector finance, Africa can raise the trillions of dollars needed to fast-track its development, by diversifying the economy and improving competitiveness. This will require the development of robust capital markets and the creation of an environment conducive to private sector

development, in particular in the areas of land, agriculture, energy, services and other infrastructure sectors. By leveraging the private sector, Africa can shift the production frontier for both goods and services, create sustainable economies, generate additional jobs and reap the continent's demographic dividend.

11. Poverty and inequality, however measured, remain very high in most parts of the continent. Accelerating the pace of poverty reduction and narrowing the persistent inequalities across the continent will contribute to social and political stability, economic growth, higher levels of productivity and improved living standards. Increasingly, there is an urgent need to ensure that public policies in Africa are more inclusive and respond to the needs of the vulnerable including young people and women.

12. The commitment of African Governments to the regional integration agenda and more broadly to accelerated economic integration through, among other measures, the creation of the African Continental Free Trade Area and the Action Plan for Boosting Intra-African Trade, is at a scale sufficient to attract the private sector. These initiatives are complemented by other continental flagship programmes and strategies, including the Comprehensive Africa Agricultural Development Programme, the Programme for Infrastructure Development in Africa, the Action Plan for the Accelerated Industrial Development of Africa and the Science, Technology and Innovation Strategy for Africa. Together these provide critical frameworks to attract and leverage private sector investment, optimize economic production and close the productivity gaps in African economies.

13. Climate change, environment and natural resources management are critical leverage points for the continent for implementing the Sustainable Development Goals. Attainment of many of the Goals is directly or indirectly linked to the sustainable management of natural resources for healthy ecosystems, healthy economies and healthy societies. Africa is faced with serious challenges posed by climate change to the attainment of the 2030 Agenda for Sustainable Development. Africa must effectively integrate mitigation and adaptation to climate change into development policy planning processes. This is imperative to reduce vulnerability and strengthen resilience to impacts. Moving forward with the implementation of the intended nationally determined contributions under the Paris Agreement would enable Africa countries to reduce their future emissions and to contribute to global collective efforts to tackle effects of climate change. By harnessing natural resource endowments, new technologies and infrastructure as a means of creating wealth, reversing resource depletion for Africa's development and as a conduit towards diversifying its economies, African countries also need to pursue policy reforms to foster a green economy while contributing to balanced integration of the economic, social and environmental dimensions of sustainable development.

14. Data and statistics are central to the development process. There is consensus on the development aspirations that should be pursued by Africa, as captured in the 2030 Agenda and Agenda 2063. In implementing and monitoring the two integrated agendas, there is need for an effective data policy regime and architecture to support the process. An African data revolution that constitutes the lifeblood of policymaking, planning and follow-up, and review of the two agendas will require resources and strengthened capacities for data collection, storage, access and analysis grounded in robust statistical systems.

15. The contribution by ECA to the task of carrying forward the 2030 Agenda and Agenda 2063 is centred on the Commission's three core facets, namely, its convening function, its function as a think tank and its operational function, as articulated below:

(a) *Convening function*: providing dedicated regional intergovernmental and multi-stakeholder platforms with strong ownership by member States, regional bodies and development banks that result in agreed development policy frameworks, standards and action plans and that reinforce multilateralism at the regional and subregional levels;

(b) *Think-tank function*: conducting multisectoral research and analyses that nurture the integration of the three pillars of sustainable development, and promote peer learning, innovative thinking and the advocacy of public policies while fostering intersectoral linkages and synergies;

(c) *Operational function*: provision of policy advice at the country level through direct demand-based support to member States in areas related to its normative and analytical work and in collaboration with the United Nations system at the country level.

C. Review process

16. Based on the foregoing analysis, and with due consideration for the development context shaping the region and the Commission's key mandates, ECA, under the leadership of its new Executive Secretary, embarked upon a process of reflection, consultation and forward thinking in September 2017. To that end, several strategic reviews have been undertaken with a view to reorienting the Commission to effectively support implementation of and follow-up to the 2030 Agenda, the Addis Ababa Action Agenda, Agenda 2063, the new United Nations–African Union framework for the implementation of the two agendas and the Joint United Nations–African Union Framework for Enhanced Partnership in Peace and Security.

17. A series of consultations have also been conducted with stakeholders, including Heads of State and Government, ministers of finance and planning, ministers for foreign affairs, African Ambassadors in Addis Ababa, partner organizations, including the African Union and the African Development Bank, bilateral partners and ECA staff members. The outcome of the process of reflection and consultations pointed to the need to reorient the strategic direction of the Commission with a view to taking advantage of opportunities, addressing the development challenges faced by Africa, responding to the needs of member states and effectively implementing the Commission's mandates.

D. Putting ideas into action for an empowered and transformed Africa

18. The emerging vision of ECA is framed around delivering ideas and actions for an empowered, inclusive and transformed Africa and is informed by the 2030 Agenda for Sustainable Development and Agenda 2063 of the African Union. The three core facets of the Commission are its function as a think tank, its convening function and its operational function.

19. ECA's overall objective is to support the continent to effectively confront one of its central challenges: jobs creation. With more than half the jobs on the continent in the informal sector, that challenge has particular significance in fiscal terms and in terms of levels of poverty.

20. To deliver on its vision, ECA will concentrate on five strategic directions:

(a) Advancing ECA's position as a premier knowledge institution by strengthening the knowledge profile of the staff

(b) Developing macroeconomic and structural policy options to accelerate economic diversification and job creation

(c) Designing and implementing innovative financing models for infrastructure, human, physical and social assets for a transforming Africa

(d) Contributing solutions to regional and transboundary challenges, with a focus on peace security and social inclusion as an important development nexus

(e) Advocating Africa's position at the global level and developing regional responses as a contribution to global governance issues

21. The strategic directions will be implemented through the divisions of the ECA in a programmatic way. In its work, the Commission plans to move beyond merely focusing on the public sector, but actively to bring into its working modalities and efforts ideas and actions designed to deepen and grow the private sector, in particular the domestic private sector. This would be achieved by harnessing the private sector as the engine for driving production and productivity growth, jobs, and also as a provider of alternative means of financing development. ECA will, therefore, deepen its collaboration with the private sector in support of policies on the appropriate enabling environment for that sector.

22. The Commission will also work with member States in both the normative and practical aspects of State-building through robust governance systems, which should include focusing more on issues of vulnerability, risks and capability in conflict and post-conflict countries with the aim of building their resilience and thereby preventing further crises.

23. In the light of the above aspirations, the ECA subprogrammes will be accordingly recalibrated, taking due account of the Commission's comparative advantages and programmatic priorities. The overall ECA *programme of work*, the tool for implementing the strategic directions, will, therefore, be organized around the following nine interdependent and complementary subprogrammes:

(a) *Macroeconomics and governance*: This subprogramme will be broadened to address economic governance matters as a critical aspect of economic development and is aimed at supporting African Member States in their efforts to accelerate economic transformation and inclusive development;

(b) *Regional integration and trade*: This subprogramme will focus on the central role of achieving effective regional cooperation and economic integration among member States by supporting efforts to deepen regional markets, boost intra-African trade, global trade, accelerate industrialization and tackle the challenges of structural transformation;

(c) *Private sector development and finance*: A successful private sector remains the main venue for job creation, the biggest challenge of all ECAs member states. The objective of this new subprogramme is to support member States in their endeavour to achieve accelerated job creation, sustained economic growth and transformation through leveraging the role and resources of the private sector with an emphasis on increasing private sector investment in agriculture and agribusiness, infrastructure, energy and services, promoting innovative financing solutions, developing capital markets, attracting investment and improving the business-enabling environment;

(d) *Data and statistics*: This subprogramme will continue its work on improving the production, dissemination and use of high-quality and comparable data and statistics in Africa to support evidence-based policymaking, planning, implementation, monitoring and reporting under the 2030 Agenda and Agenda 2063. The programme will also work to support countries to adopt new data technologies such as big data and innovative

biometric techniques and other to help accelerate decision making and measurement of the SDGs and Agenda 2063;

(e) *Climate change, environment and natural resource management*: This subprogramme will play a vital role in supporting the efficient management of the continent's natural resource endowments; reducing the negative impacts of climate change by moving towards green transitions and climate-resilient development; and harnessing new technologies in the context of sustainable development;

(f) *Gender and women in development*: This subprogramme will address emerging issues that have impacts on African women and girls and will also promote and support member States in their work to achieve gender equality and women's empowerment;

(g) *Subregional activities for development*: This subprogramme will be delivered through the five subregional offices covering Central, East, West, North and Southern Africa, whose selected thematic areas of specialization will equip them to tackle more effectively the development challenges faced by member States in their respective subregions;

(h) *Economic development and planning*: This subprogramme will be strengthened to improve public sector management and development planning in support of the structural transformation of member States;

(i) *Poverty, inequality and social policy*: The focus of this subprogramme will be sharpened to contribute to achieving inclusive and equitable sustainable human and social development in Africa.

24. The modalities for implementation will be aligned with the Commission's role as a policy think tank engaged in multisectoral policy research and analysis with a view to harnessing the three pillars of sustainable development; as a convener of intergovernmental platforms and forums such as the Africa Regional Forum on Sustainable Development, for the exchange of solutions, promotion of peer learning and articulation of a common African voice at the global level in support of the 2030 Agenda for Sustainable Development and Agenda 2063 of the African Union; and as a provider of capacity development services, which include supporting member States in their efforts to comply with international agreements, treaties, norms and standards, through policy advocacy, consensus-building, technical support, policy advisory services and training measures.

25. The five subregional offices of the Commission will specialize in selected thematic areas relevant to their subregions and based on the demand of member states to ensure a more effective approach to priority issues of concern and development challenges faced by member States in their respective subregions. The capacity and resources of the African Institute for Economic Development and Planning will be further strengthened in order to provide the necessary training and policy support for the implementation by member States of the 2030 Agenda and Agenda 2063.

E. Programme-related changes

26. The following programme-related changes will be instituted:

(a) Subprogramme 1: The previous focus on macroeconomic policy is to be broadened to include economic governance matters and support to APRM, which was previously under the capacity development subprogramme. The finance and private sector work previously carried out under this subprogramme is now moved to the new subprogramme *private sector development and finance*;

(b) Subprogramme 2: Thematic areas such as *infrastructure, food security and agriculture, land governance* are consolidated within the private sector development and finance subprogramme, whilst support to NEPAD which was previously under capacity development subprogramme is now added to the subprogramme's portfolio;

(c) Subprogramme 3: A new subprogramme 3 on private sector development and finance is introduced. The objective of this new subprogramme is to support member States to achieve accelerated job creation, sustained economic growth and transformation by leveraging the role and resources of the private sector with an emphasis on increasing private sector investment in agriculture and agribusiness, infrastructure, energy and services, promoting innovative financing solutions, developing capital markets, attracting investment and improving the business-enabling environment;

(d) Subprogramme 4: The nomenclature of the subprogramme is changed to *data and statistics* whilst its scope remains unchanged;

(e) Subprogramme 5: The nomenclature of the previous subprogramme 3 is changed from *innovations, technologies and the management of natural resources* to *climate change, environment and natural resources management and the sub-programme is repositioned as subprogramme 5*. The focus on innovations and technologies as facilitators of development will be recalibrated to support all programmatic areas. The previous capacity development subprogramme 5 is no longer a standalone subprogramme. The same functions were also being carried out by all other subprogrammes. The capacity development work of the Commission will be substantively mainstreamed as a core function across all subprogrammes, for efficiency, better ownership, and improving on the ECA's capacity to deliver knowledge through policy dialogue, advisory services and technical assistance under a unique vehicle.

(f) Subprogramme 6: The nomenclature i.e. gender and women in development is slightly modified to respond to shifting priorities as *gender equality and women's empowerment* whilst the scope of the subprogramme remains unchanged;

(g) Subprogramme 7: The five components of subprogramme 7 on subregional activities for development will be enhanced to cover selected thematic areas in line with subregional priorities of member states and ECA competencies.

(h) Subprogramme 8: The subprogramme's nomenclature i.e. *development planning and administration* is slightly modified as *economic development and planning* whilst the scope of the subprogramme remains unchanged;

(i) Subprogramme 9: The subprogramme on social development policy will be augmented and will cover social policy as previously, but will also include a special focus on poverty, and inequality.

F. Conclusion and way forward

27. The repositioning of ECA is being undertaken in response to changing global and regional dynamics, including the new macroeconomic environment in Africa, global and continental development frameworks and United Nations reforms. The proposed strategic directions and programmatic priorities laid out in the present note are the outcome of extensive consultations with a broad array of stakeholders including the council of ministers, the AUC, and the private sector among others.

28. The implementation of the proposals will increase the efficiency and effectiveness of the ECA in serving the rest of the UN family, member states and regional institutions. It will also enable the ECA to fully align with the Secretary General's reforms of the secretariat; and the Secretary General's

emphasis on collaboration with the UN. It should enable the ECA to align with and serve the continent and member states more expeditiously by leveraging more effectively internal synergies and by putting ideas into action for an empowered and transformed Africa.
