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### **New Partnership for Africa's Development: progress in implementation and international support**

## **New Partnership for Africa's Development: sixteenth consolidated progress report on implementation and international support**

### **Report of the Secretary-General**

#### *Summary*

The present report, submitted pursuant to General Assembly resolution [71/320](#), coincides with the third year of the implementation of the 2030 Agenda for Sustainable Development. With Agenda 2063: The Africa We Want, the strategic vision for transformative development in Africa, and its first 10-year implementation plan (2014–2023), African countries, with the support of regional and subregional institutions, continued to mainstream the priorities of the 2030 Agenda and Agenda 2063 in their national development frameworks. Countries continued to make progress in the implementation of the 2030 Agenda and Agenda 2063. One of the most significant results during the reporting period was the establishment of the African Continental Free Trade Area, in Kigali in March 2018. This provided a major impetus to continental integration and the realization of the African Union vision of an integrated, peaceful and prosperous Africa.

The improving global economic environment, especially the rebound in trade, combined with sound economic policy management in African countries, contributed to growth acceleration of 3.6 per cent in 2017. Official development assistance to Africa declined marginally in 2016. This trend, if not reversed, may negatively affect the implementation of the Sustainable Development Goals, especially in least developed countries in Africa, where official flows remain an important source of development funding. African countries continued to implement the New Partnership for Africa's Development in several key areas, including infrastructure, agriculture and gender mainstreaming. The African Peer Review Mechanism continued to enjoy growing widespread recognition as an instrument for promoting good governance, as demonstrated by the accession of an increasing number of African countries to the Mechanism. A key policy concern across Africa, however, is the high level of debt. Excessive borrowing can lead to debt distress, potentially choking growth and

\* [A/73/150](#).



development. This threatens to undermine hard-won socioeconomic gains in debt reduction that were previously achieved through international debt relief efforts. Addressing this, in addition to the existing challenges that are critical for structural transformation to create jobs through promoting industrialization, investing in agriculture and developing agricultural value chains, must be a top priority for African Governments.

## I. Introduction

1. In its resolution [71/320](#), entitled “New Partnership for Africa’s Development: progress in implementation and international support”, the General Assembly requested the Secretary-General to submit a comprehensive report on the implementation of the resolution to the Assembly. The present report is submitted pursuant to that resolution.
2. The report highlights policy measures taken by African countries and organizations in the implementation of the New Partnership for Africa’s Development (NEPAD), as well as the complementary measures implemented by the international community, including support provided by the United Nations system during the past year. Where data allow, activities undertaken by the private sector and civil society organizations in support of NEPAD are also highlighted. The report benefited from information provided by Member States, the NEPAD Planning and Coordinating Agency, the African Union, the secretariat of the African Peer Review Mechanism, the regional economic communities, the African Development Bank (AfDB), the Organization for Economic Cooperation and Development (OECD), members of the Interdepartmental Task Force on African Affairs and other subregional and regional African stakeholders.

## II. Action taken by African countries and organizations

3. Since its adoption in 2001 by African Heads of State and Government, NEPAD has served as an African-owned and -led framework for the continent’s socioeconomic transformation. Despite the progress made in economic and social development over the past several years, persistent and emerging challenges remain which, if not addressed, will undermine progress towards the implementation of the Sustainable Development Goals and Agenda 2063: The Africa We Want.
4. Agenda 2063, adopted at the twenty-fourth session of the Assembly of Heads of State and Government of the African Union, held in 2015, includes all of the priorities of NEPAD. Following the adoption of the Agenda, the African Union adopted the first 10-year implementation plan (2014–2023) for Agenda 2063, which comprises the following programmes and projects: the Grand Inga Dam project; an integrated high-speed train network; an African virtual and e-university; the formulation of a commodities strategy; the establishment of the Continental Free Trade Area by 2017; a pan-African passport and the free movement of people; the establishment of a single African air transport market; the establishment of an African financial institution; the “Silencing the Guns by 2020” initiative; a pan-African e-network; and an Africa outer space strategy.
5. The NEPAD Agency, as the technical arm of the African Union, in coordination with other structures of the Union and with regional economic communities, is focusing efforts on the implementation of these programmes by supporting African countries in planning, implementing, monitoring and evaluating their implementation. The Agency is working to strengthen capacities at the national, regional and continental levels to coordinate the implementation of these agendas. At the thirty-first session of the Assembly of Heads of State and Government of the African Union in July 2018, member States approved the establishment of the African Union Development Agency as the technical body of the Union, and noted that the transition from the NEPAD Agency to the African Union Development Agency would be undertaken as part of its establishment.
6. During the reporting period there was significant progress in two of the priorities of Agenda 2063 and its first 10-year implementation plan, with the signing of the Agreement to establish a Single African Air Transport Market and the

establishment, in March 2018, of the African Continental Free Trade Area. There has been continued progress since the signing of the Agreement. According to the Economic Commission for Africa,<sup>1</sup> it is expected that the value of intra-African trade will more than double thanks to the African Continental Free Trade Area.

## A. Infrastructure

7. Infrastructure is an enabler for the continent's industrialization and regional integration, the latter being the guiding vision for the African Continental Free Trade Area. New research by AfDB shows that Africa would require between \$130 billion and \$170 billion per annum in infrastructure investment to bring its infrastructure development to the level of developing countries elsewhere. However, in a joint report by AfDB, the International Monetary Fund and the World Bank it was estimated that the projects currently under way amounted to only 5 per cent of total investment needs and 12 per cent of actual financial flows.

8. To address this shortfall, the Continental Business Network of the NEPAD Agency launched the 5% Agenda initiative at the New York Stock Exchange in September 2017 on the sidelines of the seventy-second session of the General Assembly, calling for institutional investors to increase from 1.5 per cent to 5 per cent the share of assets under management allocated to African infrastructure projects. An associated road map has also been developed to facilitate investments from African pension funds and sovereign wealth funds in infrastructure projects on the continent.

9. In order to support the implementation of the 5% Agenda, certain projects under the Programme for Infrastructure Development in Africa, including the Batoka Gorge hydroelectric scheme, the Zambia-Tanzania-Kenya interconnector, the Beira-Harare toll road as part of the North-South Corridor project and the Ruzizi III hydroelectric power station, will be fast-tracked. To facilitate the implementation of the Batoka Gorge project, the NEPAD Agency and the Southern African Development Community provided capacity-building and financial support to the Zambezi River Authority, including \$9.26 million through the NEPAD Infrastructure Project Preparation Facility for project preparation. Construction of the Ruzizi III power station began in 2017, making it the first regional power project in Africa established as a public-private partnership.

10. Of the 433 priority action plan projects under the Programme for Infrastructure Development in Africa, 26 per cent are at the feasibility or pre-feasibility stage, 16 per cent are being restructured for tendering and 32 per cent are either operational or under construction. In 2017 the Abidjan-Lagos Corridor Management Authority was established as the first transnational project management authority in Africa.

11. In 2017 another flagship project of Agenda 2063, the African Integrated High-Speed Railway Network, which is aimed at interconnecting all African capitals, was commissioned, the NEPAD Agency hosting the project implementation unit and taking a lead in the technical feasibility and bankability studies.

12. The Inga III hydropower project, which is both a priority action plan project of the Programme for Infrastructure Development in Africa and one of the flagship projects of Agenda 2063, is expected to generate more than 10,000 MW of electricity in Africa for the first time. Power-purchasing agreements between the Democratic Republic of the Congo and South Africa have already been signed. A consortium of

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<sup>1</sup> Economic Commission for Africa, African Union Commission and African Development Bank, *Assessing Regional Integration in Africa VIII: Bringing the Continental Free Trade Area About* (2017).

international partners is currently working on financing the project, which has an estimated initial cost of \$12 billion.

13. Progress in the implementation of the Presidential Infrastructure Champion Initiative continued in 2017. The regional optic fibre project connecting five of the capitals of the States members of the East African Community was completed. Furthermore, the Presidential Infrastructure Champion Initiative in Namibia, the Namibia Logistics Hub, was endorsed by the Ministerial Working Group and subsequently by the Chair of the Initiative. As part of the Missing Links on the Trans-Sahara Highway project, Algeria completed the construction of 1,600 km of highway, leaving only 200 km to be completed in southern Algeria. Under the Lamu Port-Southern Sudan-Ethiopia Transport Corridor project, which connects Ethiopia, Kenya and South Sudan, construction of the Isiolo-Moyale road (505 km) was completed, and the construction of ports and berths is under way.

## **B. Agriculture and food security**

14. Agriculture and food security are key pillars of Agenda 2063 and the 2030 Agenda. Aspiration 1 of Agenda 2063, “A prosperous Africa based on inclusive growth and sustainable development”, calls for a radical transformation of African agriculture to enable the continent to feed itself and be a major player as a net food exporter. Similarly, the 2030 Agenda is aimed at transforming agriculture as part of Sustainable Development Goal 2.

15. During the reporting period, African countries continued to make progress towards the implementation of commitments relating to agricultural development and food security, including the commitments, set out in the Comprehensive Africa Agriculture Development Programme and the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, to allocate at least 10 per cent of the national budget to agriculture and achieve a 6 per cent annual growth rate in agricultural productivity. According to the latest available data, as of December 2017, of the 47 member States that reported progress in implementing the Malabo Declaration, only 20 were on track to achieve the commitments by 2025.

16. The NEPAD Agency, in collaboration with the African Union Commission, prepared a biennial report in which it highlighted progress in the implementation of commitments enshrined in the Malabo Declaration. The report was a concerted effort by the Agency to prepare the results framework of the Comprehensive Africa Agriculture Development Programme to guide countries in data collection and analysis and to equip them with the requisite skills and competencies for tracking and reporting on the implementation of the Programme.

17. Progress also continued in the implementation of the Comprehensive Africa Agriculture Development Programme at the regional level, and countries of the Economic Community of West African States (ECOWAS) developed a new generation of National Agriculture and Food Security Investment Plans aimed at supporting the achievement of the commitments of the Malabo Declaration, which are aligned with the Sustainable Development Goals. In East Africa four countries have developed and launched national agriculture and food security investment plans, while two countries in Southern Africa have completed the process.

18. The NEPAD Africa Resilience Coordination Hub, the implementation vehicle for agriculture and food insecurity risk management, was established through a partnership with the World Food Programme and Periperi U, a partnership of 12 African universities. The hub will contribute to achieving Sustainable Development Goals 1 and 8 and commitments 3, 4 and 6 of the Malabo Declaration, as well as achieving

the first 10-year implementation plan of Agenda 2063. Further progress towards the implementation of the Comprehensive Africa Agriculture Development Programme is hampered by limited progress in mainstreaming the Malabo Declaration in national agriculture investment plans.

### **C. Health**

19. Health is one of the key pillars of Agenda 2063 and the 2030 Agenda. Improved health outcomes are included in aspiration 1, goal 3 (healthy and well-nourished citizens), and aspiration 6 of Agenda 2063 (people-driven development). Similarly, Sustainable Development Goal 3 provides for a strong political commitment to public health: “To promote physical and mental health and well-being, and to extend life expectancy for all, we must achieve universal health coverage and access to quality health care”.

20. During the reporting period, the NEPAD Agency continued to support efforts to advance the policy decisions adopted by African countries to improve the health and well-being of Africans. The NEPAD Agency organized a series of consultative meetings with experts in the fields of law and medicine regulation from 33 countries. Following consultations with legal and regulatory experts, the NEPAD Agency facilitated the preparation of a draft treaty to establish the African Medicines Agency for endorsement by African Union policy organs.

21. The Agency also supported efforts by African Governments, regional economic communities, the private sector and civil society to tackle tuberculosis as a national and regional challenge, with the goal of eradicating the scourge by 2030. This was done mainly through conducting public awareness campaigns and preparing policy and technical materials during the commemoration by the African Union in March 2017 of World Tuberculosis Day on the theme “United and renewed action to end tuberculosis”. The NEPAD Agency has supported trials in laboratories using gene drive technologies to effectively modify *Anopheles* mosquito populations.

22. Following the adoption of harmonized regulatory standards for medical products under the African medicine regulatory harmonization programme in 2015, a regional regulatory framework for ECOWAS was agreed upon and capacities were strengthened to enforce the supply and distribution of safe medicines in the region. In collaboration with its partner organizations, the ECOWAS secretariat, with support from the NEPAD Agency, began to implement medicine regulatory harmonization in the region across all 15 States members of ECOWAS. The NEPAD Agency provided assistance in developing a framework for tracking, monitoring and reporting the manufacture, import, export and distribution of medicines, which was formally endorsed in September 2017 by ECOWAS. The framework was also piloted in five of the States members of the East African Community and will be rolled out in other regional economic communities in the foreseeable future.

23. Through the assistance of the NEPAD Agency, 12 of the 55 countries have either reviewed or are in the process of reviewing their national laws on medicine regulation in line with the African Union model law. The NEPAD Agency was a key player in implementing the Southern Africa Tuberculosis and Health Systems Support project. As a result of this support, centres of excellence were established for tuberculosis control in Lesotho, Malawi, Mozambique and Zambia.

## **D. Education and training**

24. Sustainable Development Goal 4 on quality education is aligned with aspiration 1, goal 2, of Agenda 2063 on education and innovation. Quality education contributes to long-term sustainable development by enabling people to reach their potential. It has been proved to be the most effective weapon against poverty.

25. During the reporting period, the NEPAD Agency continued to support national and regional efforts aimed at strengthening human capital development through education and training. Following the adoption of the 2030 Agenda in 2015, the African Union adopted the Continental Education Strategy for Africa 2016–2025 at the session of the Assembly of Heads of State and Government of the African Union in January 2016 as the framework for transforming education and training systems to support sustainable development and as an innovative programme to turn secondary schools in Africa into digital schools of distinction and designed to develop the acquisition of skills to match labour market demands. The programme is also designed to promote the use of information and communications technology in teaching. Active directory services interfaces programmes have been launched in several countries including Côte d'Ivoire, Kenya and the United Republic of Tanzania.

26. The African Science Academy, a boarding school for young women with an outstanding mathematics and science potential, was inaugurated in Ghana in February 2017. The Academy is a new, girls-only, advanced-level school for mathematics and science. It is a pathway to undergraduate study and future careers, including in engineering, science and computing. The institution currently has 24 students from Cameroon, Ethiopia, Ghana, Nigeria, Sierra Leone and Uganda who have full scholarships from the Academy that cover their tuition, boarding and other expenses.

27. The NEPAD Agency continued to support efforts by countries to achieve gender parity in education. During the reporting period, the Agency supported initiatives aimed at promoting access to education for girls in 23 countries. As a result, 125,000 women were trained in management and entrepreneurship for small or medium-sized enterprises. In Ethiopia 1,100 girls who had previously dropped out of school were re-enrolled and continued their education, supported by a network of 51 mentors. Two hostels were constructed and equipped for girls attending vocational training courses in Malawi.

28. Owing to increased public policies focused on education, Africa has experienced a significant increase in the rate of student enrolment in primary schools, the number rising from 109 million to 187 million children between 2000 and 2016.<sup>2</sup>

29. The challenge of a skills shortage and a mismatch in the labour market is persistent. In most countries employers grapple with the challenges of finding skilled workers, while at the same time university graduates find it increasingly difficult to find jobs that correspond to their qualifications.

## **E. Environment and tourism**

30. Owing to the continent's vulnerability to climate change, environmental sustainability is an important priority for Africa. In this regard, the NEPAD Agency continued to provide support to African countries in implementing policies aimed at strengthening the resilience of African countries to climate change.

<sup>2</sup> United Nations Educational, Scientific and Cultural Organization Institute for Statistics, available at [data.uis.unesco.org](http://data.uis.unesco.org).

31. During the reporting period, the unified position of Africa in global conventions on climate change and environmental resilience was strengthened in line with aspiration 1, goal 7, of Agenda 2063, which is aimed at achieving environmentally sustainable and climate-resilient economies and communities. The NEPAD Agency supported the participation of the African Group of Negotiators in the Conference of the Parties to the United Nations Framework Convention on Climate Change and the participation of policymakers at the African Ministerial Conference on the Environment.
32. Over the past year the NEPAD Agency strengthened the capacity of 7,000 African women to promote environmental sustainability and resilience. For example, women took the lead in the domestication of eru, a staple food in Cameroon and neighbouring countries, and actively participated in the reforestation of the Volcanoes National Park and the promotion of ecotourism in Rwanda.
33. In September 2017, 24 African countries met in the Niger for the second annual partnership meeting of the African Forest Landscape Restoration Initiative. The initiative, of which the NEPAD Agency acts as the secretariat, is aimed at restoring 100 million ha of deforested and degraded land across the continent by 2030.
34. Since improving fisheries management is an important opportunity for increasing revenues, generating income and improving food security and nutrition, the NEPAD Agency supported capacity development for access to fisheries markets in the Gulf of Guinea region, including training on eco-labelling principles, certification procedures, and standards and regulations for the sustainability of and trade in fish resources.
35. The NEPAD Agency also provided technical support for the integration of climate change and climate-smart agriculture in national agriculture investment plans for the United Republic of Tanzania and Zambia, following which the Governments of those countries developed and submitted concept notes for the Green Climate Fund. Additional support will be provided to countries in developing concept notes and proposals to access funds from various international climate-financing outlets.
36. In the light of the importance of the tourism sector in Africa's development, the NEPAD Agency continued to support countries in promoting sustainable tourism with a view to maximizing its contribution to development and poverty reduction. Since 85 per cent of the African tourism market depends on air transport, the launch of the Single African Air Transport Market initiative by the African Union in January 2018 to open up the skies above Africa and improve intra-African air connectivity was a particularly welcome development. The initiative will facilitate implementation of the tourism goals set out in the first 10-year implementation plan of Agenda 2063.

## **F. Information and communications technology**

37. Information and communications technology has been recognized as having the potential to transform businesses in Africa and drive entrepreneurship, innovation, economic growth and sustainable development across the continent. Agenda 2063 has prioritized the application of information and communications technology in agriculture, climate change adaptation, education, financial services, health, regional trade and integration.
38. The NEPAD e-Africa Programme continued to facilitate an integrated e-economy in Africa by working with Governments to ensure that businesses and citizens have greater access to reliable and affordable information and communications technology networks. In particular, through the information and communications technology strategy of the Programme for Infrastructure Development in Africa,<sup>3</sup> the

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<sup>3</sup> Programme for Infrastructure Development in Africa priority action plan for the period to 2020.

NEPAD Agency supported countries in developing national master plans for digital development. It is estimated that a 10 per cent increase in broadband penetration will result in a 1–2 per cent increase in the gross domestic product (GDP).

39. With the support of the NEPAD Agency, the fourth Transform Africa Summit was held in May 2018 on the theme “Accelerating Africa’s single digital market”. The summit followed three earlier editions, culminating in the launch in 2017 of the African smart cities initiative, which is aimed at leveraging technology solutions to improve efficiency in the delivery of city services. At the 2018 summit the first-ever Transform Africa Economic Forum was convened, facilitating Government-to-business engagements, which resulted in stronger public-private partnerships and agreements to increase investments in information and communications technology across the continent.

## **G. Science, technology and innovation**

40. Agenda 2063 and the 2030 Agenda recognize science, technology and innovation as important enablers for achieving sustainable development. The work of the NEPAD Agency in this area is focused on building the capacity of African countries with regard to science, technology and innovation, including in designing policies and promoting an enabling policy and regulatory environment for new technologies.

41. The work of the NEPAD Agency with regard to science, technology and innovation is guided by the Science, Technology and Innovation Strategy for Africa 2024. The strategy is aimed at accelerating the transition of Africa to an innovation-led, knowledge-based economy in line with the vision of the African Union. The NEPAD Agency implemented various programmes as part of its science, technology and innovation efforts to meet the objectives of the strategy, thereby contributing to attaining the goals of Agenda 2063.

42. The Alliance for Accelerating Excellence in Science in Africa is one of the NEPAD programmes that forms a pan-African platform aimed at championing the development of research for health capabilities and represents a new model that seeks to support the development of research leadership and promote scientific excellence and innovation to address some of the developmental challenges in Africa.

43. The NEPAD Agency continued to implement the African Science, Technology and Innovation Indicators initiative, which is aimed at building the capacity of African countries to collect and analyse science, technology and innovation indicators to support evidenced-based policy formulation and research agendas that address economic and social challenges. The implementation of phases I and II of the initiative focused on data collection and capacity-building for 35 countries to collect data on research and development and for 11 countries to collect data on innovation. In addition, two African Innovation Outlooks were published, as well as policy briefs and research papers that contributed to developing capacities for policy formulation with regard to science, technology and innovation.

44. In addition, the NEPAD Agency facilitated the improvement of science, technology and innovation data systems in Côte d’Ivoire, Equatorial Guinea, Ghana and Seychelles. This was done through training and in-country capacity-strengthening on the use of new and innovative data collection tools, data analysis, storage and dissemination.

45. Furthermore, the NEPAD Agency and the United Nations University jointly conducted a study entitled *Innovation in Africa: Measurement, Policy and Global Issues*, which helped to increase knowledge of factors that influence the emergence of innovation strategies in Africa.

46. The Africa Kaizen Initiative was launched by the NEPAD Agency and the Japan International Cooperation Agency in 2017. It continued to provide training on the adoption of innovation methods to boost productivity. During the reporting period, 125 participants from 13 African countries benefited from the training. Seven projects are being implemented under the Initiative in Cameroon, Ethiopia, Ghana, Kenya, Tunisia, the United Republic of Tanzania and Zambia, and one project was completed in Egypt.

## **H. Gender mainstreaming, empowerment of women and participation of civil society**

47. Gender equality and women's empowerment are central to sustainable development. Sustainable Development Goal 5 and aspiration 6 of Agenda 2063 both seek to achieve gender equality and empower all women and girls. The NEPAD Agency continued its efforts to support the implementation of gender equality and women's empowerment at the national, regional and subregional levels. The NEPAD/ Spanish Fund for African Women's Empowerment, a partnership between the NEPAD Agency and the Government of Spain through the Spanish Agency for International Development Cooperation, has empowered a total of 530,000 women and young people through business and vocational skills training. In this regard, the creation of business incubation units and product certification, including barcoding, led to an increase in agricultural productivity, thereby boosting women's incomes.

48. Furthermore, the NEPAD Agency provided support to 90 civil society organizations and grassroots organizations to strengthen their capacity in gender mainstreaming and to enable them to better advocate for women's issues, particularly gender equality and women's empowerment. In Nigeria a gender protection network was formed to monitor accountability for gender equality and service delivery for women. Thanks to these efforts, African countries continued to make progress in this area. For example, the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa was incorporated into national legislation and implemented in 24 countries<sup>4</sup> and ratified in the Democratic Republic of the Congo, Guinea-Bissau and Zimbabwe. A fund was established in Malawi to provide legal support to girls who were victims of rape in schools.

49. However, several challenges remain as culture and norms continue to create major obstacles to women's empowerment in Africa. At the structural level, weak infrastructure and law enforcement and poor-quality public services pose major challenges to women's empowerment and progress on gender equality.

## **I. African Peer Review Mechanism**

50. Agenda 2063 and the 2030 Agenda have both recognized good governance as an important enabler for growth and sustainable development. The African Peer Review Mechanism is a mutually agreed self-monitoring instrument established by the NEPAD Heads of State and Government Implementation Committee in 2003 to strengthen governance and sustainable development in the areas of democracy and political governance, economic governance and management, corporate governance and socioeconomic development.

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<sup>4</sup> Angola, Benin, Burundi, Burkina Faso, Cabo Verde, Cameroon, Comoros, Democratic Republic of the Congo, Djibouti, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Mali, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Togo and Zimbabwe.

51. During the reporting period, the Mechanism made progress in its revitalization efforts, including strengthening its secretariat. The Mechanism promoted good governance in Africa. As of July 2018, 37 States members of the African Union had joined the African Peer Review Mechanism. The secretariat of the Mechanism continued to provide support for the implementation of commitments with regard to governance in all its dimensions. Considerable efforts continued to be made in promoting civil society engagement in the implementation of the Mechanism.<sup>5</sup>

52. As of July 2018, the African Peer Review Mechanism had completed governance reviews of 21 countries, the first review of the Sudan and the second review of Uganda being completed at its most recent summit in January 2018. In June 2018 the Mechanism began a project to deepen its reviews, including through country self-assessments and external review processes on the basis of which the final review report and the national programme of action are produced. The Mechanism also began to engage with academic institutions in order to reinforce African governance and the knowledge base for the Mechanism and to enrich continental research capabilities.

53. A key milestone for the Mechanism was the provisional adoption of a statute by the African Peer Review Forum held in August 2016, which allowed the Mechanism, for the first time in its history, to be firmly grounded on a clear legal instrument. Also in August 2016, the strategic plan for the period 2016–2020 was adopted by the Forum. The strategic plan is based on a three-pronged revitalization programme of restoration, reinvigoration and renewal of the Mechanism. The plan is aimed at consolidating the gains from a decade and a half of reviews by the Mechanism and draws inspiration from its founding vision and mission, values and guiding principles. The plan also considered key continental and global initiatives such as the shared values agenda of the African Union, Agenda 2063 and the 2030 Agenda.

54. In January 2017<sup>6</sup> the African Union welcomed the commitment of the African Peer Review Forum on the repositioning of the African Peer Review Mechanism to play a monitoring and evaluation role for Agenda 2063 and the 2030 Agenda for Sustainable Development. This will entail, among other things, incorporating various governance reports from the African Governance Architecture platform and other African Union organs in the Annual Governance Report of the African Union, as well as providing country-specific governance briefings and access to scientifically credible and politically legitimate knowledge products on governance in Africa.

55. The African Peer Review Mechanism also continued to refine its research and operational tools. In March 2018 it hosted the second Annual Methodology Forum, which was attended by members of the African Peer Review Mechanism community, governance experts, collaborating stakeholders, including partners of the Mechanism, and selected government officials and non-State representatives. The purpose of the forum was to review and enrich the methodology of the Mechanism and related processes with its consultative and reference groups.

### **III. Response of the international community: building on the momentum of the international community's support for Africa's development**

56. African countries are integrated, albeit at different levels, in the global economy through trade, finance and investment. Thus, global economic conditions have a considerable bearing on the performance of African economies and thereby considerably

<sup>5</sup> See [A/73/273-S/2018/566](#).

<sup>6</sup> See decision Assembly/AU/Dec.631(XXVIII) of the African Union on the revitalization of the African Peer Review Mechanism, dated January 2017.

influence the pace of progress towards achieving the Sustainable Development Goals. During the reporting period, the global economic situation improved slightly: global GDP growth rose to 3.0 per cent in 2017, up from 2.4 per cent in 2016.<sup>7</sup> This was the strongest growth in nearly six years, underpinned by a rebound in global trade and a strong recovery in investment in advanced economies. Modest increases in investments in some commodity-exporting and emerging countries also contributed to the strengthening of the global economy, as did the rebound in global trade following two years of decline.

57. All these factors significantly influenced economic performance in Africa, where GDP growth rose from 1.7 per cent in 2016 to 3.0 per cent in 2017. Despite good economic performance, growth remains considerably below the level required to achieve the Sustainable Development Goals by 2030 and the goals of Agenda 2063.

58. At the summit of the Group of Seven in June 2018, the Group reaffirmed its commitments to official development assistance. The full implementation of the commitments to allocate 0.7 per cent of gross national income to African countries and 0.15 per cent of gross national income to the least developed countries, as well as additional commitments previously made at the summit of the Group of Eight in July 2005, will provide much-needed resources for African countries to implement the 2030 Agenda and Agenda 2063. At the summit of the Group of Seven, the Group also reaffirmed its commitment to strengthen the capacity of Africa to resolve conflict on the continent.

59. At the Group of 20 summit in July 2017, the G-20 Africa Partnership was launched, with the aim of strengthening cooperation between the G20 and Africa on sustainable economic development, with Agenda 2063 as the guiding framework. The G20 Africa Partnership provides a framework for G20 initiatives on investment promotion, the increased use of renewable energy, rural youth employment, digital education for girls and women and fair taxation.

60. The Compact with Africa is a core element of the G-20 Africa Partnership and consists of tailored investment, or compacts, with interested African countries. The objective is to improve conditions for private investment in Africa, which is crucial for sustainable economic development. As of December 2017, 10 African countries had joined the initiative: Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal and Tunisia.

61. The G-20 Africa Partnership is committed to expanding sustainable energy infrastructure and is supporting the Africa Renewable Energy Initiative of the African Union, which is aimed at increasing the supply of and access to renewable energy. The Government of Germany announced that it would contribute €3 billion in support of the objectives of the Initiative in the period up to 2020. The funding committed so far is being used to install the capacity to generate 2.5 GW of renewable power, the equivalent of three coal-fired power stations.

## **A. Official development assistance**

62. According to the latest available data from OECD,<sup>8</sup> official development assistance (ODA) reached \$146.6 billion in 2017, representing a slight decrease of 0.6 per cent in real terms compared with 2016 (see figure).

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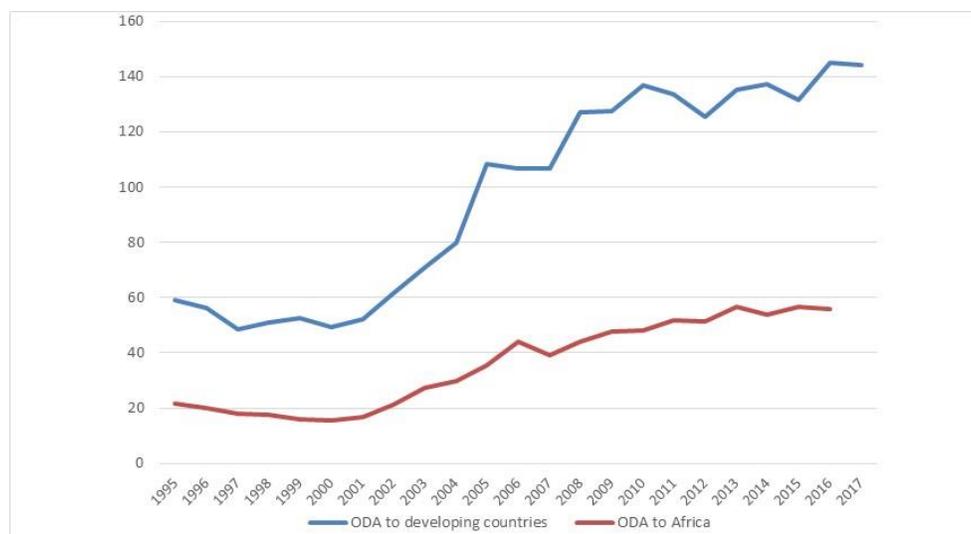
<sup>7</sup> See *World Economic Situation and Prospects 2018* (United Nations publication, Sales No. E.18.II.C.2).

<sup>8</sup> See [www.oecd.org/development/development-aid-stable-in-2017-with-more-sent-to-poorestcountries.htm](http://www.oecd.org/development/development-aid-stable-in-2017-with-more-sent-to-poorestcountries.htm).

63. ODA data for Africa for 2017 were not available at the time of reporting. The most recent ODA data for Africa available from OECD show ODA for Africa decreasing from \$56.1 billion in 2015 to \$55.7 billion in 2016, representing a decrease of 1.3 per cent. This is likely to affect the capacity of African countries,<sup>9</sup> especially the least developed countries, to implement their development agendas. However, preliminary estimates for bilateral ODA for Africa show a marginal increase of 3 per cent to \$29 billion.

### Total official development assistance from all donors

(Billions of United States dollars)



Source: Online database of the OECD Development Assistance Committee, 2018.

64. In 2017, total net ODA as a percentage of the gross national income of the member countries of the OECD Development Assistance Committee averaged 0.31 per cent, down from the 0.32 per cent recorded in 2016. This is considerably below the 0.7 target set by the United Nations and reaffirmed in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

65. Only five of the member countries of the Development Assistance Committee met the 0.7 per cent target for ODA/gross national income: Denmark, Luxembourg, Norway, Sweden and the United Kingdom of Great Britain and Northern Island. Total ODA data flows to Africa in 2017 were not available at the time of reporting.

66. ODA flows to the least developed countries increased by 4 per cent in 2017 to \$26 billion, indicating a reversal of the downward trend that had characterized ODA flows to the least developed countries in recent years.

67. There has been some progress in improving aid effectiveness. According to the 2018 report of the Inter-Agency Task Force on Financing for Development, the share of tied aid continued to decline, from 22 per cent in 2015 to 19 per cent in 2016. The report also highlighted progress in increasing the transparency of development cooperation, particularly in recording development cooperation in national budgets submitted for parliamentary oversight, as well as improved reporting by development partners to the Creditor Reporting System of the Development Assistance Committee, the Survey on Donors' Forward Spending Plans of the Development Assistance Committee and the International Aid Transparency Initiative.

<sup>9</sup> See A/73/270.

## B. Debt relief

68. Despite a positive global economic outlook that began around mid-2016,<sup>10</sup> emerging debt challenges in developing countries in Africa have continued to intensify since the 2017 report was compiled. Vulnerabilities have increased in countries across Africa that previously benefited from debt relief under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. This is a cause for concern, especially at a time when African Governments are faced with large financing needs to implement the 2030 Agenda and Agenda 2063.

### Current and potential beneficiaries of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative, as of July 2018

<i>Status</i>	<i>Countries</i>
Post-completion point	Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Togo, Uganda, United Republic of Tanzania, Zambia
Pre-decision point	Eritrea, Somalia, Sudan

*Source:* International Monetary Fund.

69. As of July 2018, the number of African countries that had reached the post-completion point and received full debt relief remained at 30. For those countries which are also categorized as least developed countries, the debt-to-exports ratio doubled from a low of 68.5 per cent in 2011 to 143 per cent in 2016, the debt service-to-exports ratio worsened substantially from 3.5 per cent in 2011 to 12.6 per cent in 2016, and the debt service-to-government revenue ratio reached a period high of 17 per cent in 2016, after being just under 5 per cent in 2011.<sup>11</sup>

70. A key concern for African countries is the growing risk of a renewed cycle of debt crises and economic disruption, posing a significant challenge to achieving the Sustainable Development Goals in Africa, as financial resources that would otherwise have been used to finance the Goals are being used to service debt arrears. For instance, many countries in Africa that possess natural resources have seen rapid debt accumulation as governments have attempted to cushion the shock from falling commodity prices, particularly in oil-exporting countries. Eritrea, Somalia and the Sudan are still at the pre-decision point and have not made much progress since the 2017 report.

71. To help to strengthen the debt management capacity of African countries and ensure long-term debt sustainability, a realism tool for the investment-growth nexus was introduced as a result of the recent review of the Joint World Bank-IMF Debt Sustainability Framework for Low-Income Countries,<sup>12</sup> particularly in Africa. This tool would allow users to carefully assess growth assumptions in the light of public investment dynamics. The Framework should help African countries to better manage their debt.

<sup>10</sup> International Monetary Fund, *World Economic Outlook Update*, July 2018.

<sup>11</sup> See [A/72/253](#).

<sup>12</sup> See [www.imf.org/en/About/Factsheets/Sheets/2016/08/01/16/39/Debt-Sustainability-Framework-for-Low-Income-Countries](http://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/16/39/Debt-Sustainability-Framework-for-Low-Income-Countries).

### C. Foreign direct investment and other private flows

72. According to the United Nations Conference on Trade and Development,<sup>13</sup> global flows of foreign direct investment (FDI) fell sharply by 23 per cent in 2017 to \$1.4 trillion from \$1.9 trillion in 2016. The decline was accounted for by a 22 per cent decrease in the value of cross-border mergers and acquisitions. FDI flows fell sharply in developed economies and in economies in transition while flows to developing economies remained relatively stable at \$671 billion. As a result, developing economies accounted for a growing share of global FDI inflows in 2017, absorbing 47 per cent of the total, compared with 36 per cent in 2016.

73. FDI flows to Africa continued the downward trend, declining further by 21 per cent to \$42 billion in 2017 from \$53 billion in 2016. The decline was particularly more pronounced in the larger commodity-exporting countries. The slump in FDI flows to Africa was due largely to weak oil prices and the lingering effects of the commodities bust. However, FDI inflows to relatively diversified exporting countries, particularly Ethiopia and Morocco, were relatively resilient. The return on investment in Africa dropped from 12.3 per cent in 2012 to 6.3 per cent in 2017. This can be explained in part by the fall in commodity prices during the period and the worsening macroeconomic environment on account of rising debt.

74. In terms of the performance of FDI by subregion, flows to North Africa were down by 4 per cent to \$13 billion. Morocco was the only notable exception as FDI increased by 23 per cent to \$2.7 billion, driven by strong investment in new car technologies. FDI to West Africa fell by 11 per cent to \$11.3 billion, since the economy remained largely depressed in Nigeria, where FDI fell 21 per cent to \$3.5 billion. Similarly, FDI flows to Central Africa decreased by 22 per cent to \$5.7 billion. FDI flows to East Africa, the fastest growing region in Africa, declined marginally by 3 per cent to \$7.6 billion in 2017. In Southern Africa, FDI fell sharply by 66 per cent to \$3.8 billion largely on account of the substantial decline in FDI to South Africa and Angola by 41 per cent and 156 per cent respectively.

### D. Trade

75. According to the World Trade Organization (WTO), the total value of global merchandise exports increased by 10.7 per cent to \$17.2 trillion in 2017, reversing a two-year decline. Increased investment spending and improving commodity prices contributed in part to the rebound in world trade. The most recent World Trade Outlook Indicator from WTO pointed to above-trend trade growth in the first quarter, while other indicators such as export orders and container shipping are also suggestive of an ongoing recovery.<sup>14</sup>

76. The value of exports from Africa rebounded significantly in 2017 from the previous year, increasing by 18.3 per cent to \$417 billion, owing largely to a 28 per cent surge in energy commodities and a 22 per cent increase in the price of metals in 2017.<sup>15</sup> Ten African oil-exporting countries recorded an aggregate export growth rate of 29 per cent, while the rest of the countries on the continent recorded an aggregate export growth rate of 10.1 per cent.

<sup>13</sup> *World Investment Report 2018* (United Nations publication, Sales No. E.18.II.D.4).

<sup>14</sup> World Trade Organization, "Strong trade growth in 2018 rests on policy choices" (press release), 12 April 2018.

<sup>15</sup> World Bank, "Commodity prices likely to rise further in 2018: World Bank" (press release), 26 October 2017.

77. The WTO Ministerial Conference in December 2017 resulted in a number of ministerial decisions, including on fisheries subsidies and e-commerce duties. Important decisions were made at the conference for the integration of developing countries and least developed countries in the international trading system. Remaining relevant issues include advancing work on the three pillars of agriculture (domestic support, market access and export competition) as well as non-agricultural market access, services, development and trade and the environment.<sup>16</sup>

78. Global aid-for-trade commitments increased to \$51 billion in 2016, commitments to Africa amounting to \$18 billion. In terms of sectoral allocation, the largest distribution of commitments to Africa was in the energy sector, accounting for 34.4 per cent of the total. This was followed by the agriculture sector, at 25.1 per cent, and the transport and storage sector, at 22.1 per cent.

## **E. South-South cooperation**

79. South-South and triangular cooperation continued to play a significant role in the development of Africa, complementing relations with its traditional development partners. South-South cooperation is grounded in the modalities related to (a) mutual learning and the exchange of knowledge and experience, policy dialogue, advice and joint research; (b) training programmes and technical assistance; and (c) financial support for projects and programmes. During the reporting period, a number of initiatives were launched by Africa's new and emerging development partners.

80. In the context of the Forum on China-Africa Cooperation, China continued to provide support to Africa in a number of areas, including agriculture, infrastructure development and industrialization. This was delivered through financial and technical assistance, the development of industrial parks and direct investment by Chinese private firms. In the area of agriculture, China provided support to improve agricultural productivity in Africa, primarily through sharing experiences, transferring technology, encouraging Chinese agricultural investments and conducting training and capacity-building programmes.

81. In March 2017 India announced a plan for a \$1 billion credit line for solar energy generation in Benin, Burkina Faso, the Central African Republic, Chad, the Democratic Republic of the Congo, Ghana, Guinea, Mali, Nigeria, the Niger, Rwanda, Seychelles, Togo and the United Republic of Tanzania. In addition, India announced \$600 million in grant assistance that would include an India-Africa Development Fund of \$100 million, a health fund of \$10 million and 50,000 scholarships for African students.<sup>17</sup> In May 2018 the Republic of Korea announced a \$5 billion financial package for Africa at the annual meetings of AfDB. This financial assistance will be delivered over a two-year period through partnerships with various development agencies.

82. Through the African Union-Turkey partnership, the African Union has received an annual contribution of \$1 million since 2009. The joint implementation plan included key projects covering trade and investment, peace and security, culture and tourism, youth empowerment and technology transfer, the rural economy and agriculture, energy, information and communications technology and transport. Furthermore, Turkey continued to provide support to African countries to provide better access to clean water and water management. For example, 513 wells were

<sup>16</sup> Remarks by Susana Malcorra (Argentina), Chair of the eleventh Ministerial Conference, at the closing ceremony. Available at: [www.wto.org/english/news\\_e/news17\\_e/malcora\\_13dec17\\_e.htm](http://www.wto.org/english/news_e/news17_e/malcora_13dec17_e.htm).

<sup>17</sup> See [A/72/297](#).

drilled, providing clean drinking water and tap water for more than 1 million people in Africa.

83. In the field of science, technology and innovation, although progress has been made, there is a need to further strengthen South-South cooperation through knowledge-sharing mechanisms, students and researchers, mobility programmers, joint research and development activities and the establishment of regional innovation hubs to promote integration in regional research and innovation networks.

## **IV. Support provided by the United Nations system**

### **A. General**

84. The United Nations system continued to provide substantial support for the priorities of the African Union and NEPAD at both the global and regional levels, by funding programmes and projects on capacity- and institution-building, providing policy advisory services and supporting resource mobilization efforts through global advocacy.

85. During the reporting period, the United Nations system continued to support the implementation of NEPAD, Agenda 2063 and the 2030 Agenda, particularly in the context of the African years of Harnessing Demographic Dividend through Investments in the Youth and of Winning the Fight against Corruption: A Sustainable Path to Africa's Transformation. In line with the Secretary-General's vision, the United Nations and the African Union signed two joint frameworks of cooperation: the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security, in April 2017, and the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development, in January 2018. The second United Nations-African Union Annual Conference was held in July 2018, at which the Secretary-General and the African Union Commission Chairperson gave a commitment to further deepening the strategic partnership between the organizations. They reviewed progress in the implementation of the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security and endorsed the action plan on the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development.

86. Support from the United Nations system helped to advance the continental integration agenda, particularly with the launch of the Single African Air Transport Market in January 2018 and the African Continental Free Trade Area in March 2018.

### **B. Strengthening of the Regional Coordination Mechanism of United Nations agencies and organizations working in Africa in support of the African Union and the New Partnership for Africa's Development**

87. At the nineteenth session of the Regional Coordination Mechanism in May 2018, the United Nations system consolidated its cluster system. The joint work programme of the United Nations and the African Union for the Mechanism for 2018–2019 was agreed upon in April 2018. The work programme is anchored on Agenda 2063, the 2030 Agenda, the Framework for a Renewed United Nations-African Union Partnership on Africa's Integration and Development Agenda 2017–2027, the African Union-United Nations Framework for the Implementation of Agenda 2063 and the

2030 Agenda for Sustainable Development and the Joint United Nations-African Union Framework for Enhanced Partnership in Peace and Security.

88. In this regard, it was recommended at the nineteenth session that collaboration between the Mechanism and the regional teams of the United Nations Development Group be strengthened through the institutionalization of joint meetings and the development of a cooperation and collaboration mechanism between the two entities.

## V. Conclusions and policy recommendations

89. In the present report, progress in the implementation of the NEPAD agenda in the period from July 2017 to June 2018 has been reviewed. Since the NEPAD priorities were mainstreamed in Agenda 2063, the implementation of Agenda 2063 and its first 10-year implementation plan has also been reviewed in the report, albeit tangentially. The report shows that African countries continue to make progress in the implementation of the NEPAD priorities, particularly in infrastructure, agriculture, education, gender mainstreaming and governance.

90. A significant achievement during the reporting period was the establishment of the African Continental Free Trade Area in March 2018, creating a single market across the continent. If fully implemented, it will facilitate the flow of goods and services, labour and capital across Africa. Furthermore, an improved global environment with regard to a strong recovery in international trade, increased investment and rising commodity prices helped to improve economic performance in Africa in 2017.

91. A number of challenges remain, which if not addressed by African countries and the international community may undermine the implementation of the 2030 Agenda and Agenda 2063. These are described below.

**92. While the signing of the African Continental Free Trade Agreement is a welcome development and could be a potential game changer for Africa, the Agreement requires ratification by 22 countries to come into force. This will require leadership at the highest political level. Therefore, African leaders may need to marshal the necessary political will to ensure the timely ratification of the Agreement.**

**93. With regard to infrastructure, the development of quality infrastructure is critical for long-term sustainable development in Africa. As the lack of finance and capacity constraints continue to be critical challenges for the implementation of the Programme for Infrastructure Development in Africa, African countries should intensify efforts to mobilize more domestic financial resources from both public and private sources to help to finance infrastructure projects.**

**94. There is also a need for cross-border resource mobilization strategies to mobilize resources for financing cross-border regional projects. Leveraging finance through public-private partnerships and using innovative financing mechanisms to make up for the shortfall are also viable strategies. To that effect, efforts to crowd pension funds and sovereign wealth funds in infrastructure investments should be encouraged.**

**95. The importance of agriculture in Africa's development takes on added significance with the signing of the African Continental Free Trade Agreement. Therefore, efforts must be intensified to strengthen agricultural development in line with the Comprehensive Africa Agriculture Development Programme and the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, with a view to enabling the**

sector to feed an expanding regional market and achieve food security. Given that smallholders account for a large percentage of agricultural production in Africa, they must be supported through financing, access to technology, capacity-strengthening to meet sanitary and phytosanitary standards and help with integration in regional value chains.

96. Although African Governments have continued to prioritize education in development, as evidenced by an increasing share of national budgets allocated to education, the return on education has been low. In the light of the persistent problem of a skills shortage and mismatch in African labour markets, juxtaposed with high youth unemployment, African countries must take measures to equip students with the requisite skills and training for the labour markets. Prioritizing and strengthening vocational and technical training and skills development in the education system will be key in this regard, through the strengthening of systems, the reform of curricula and access to technology to enhance learning outcomes and connectivity and to match the skills of African youth to labour market demands.

97. Advancing gender equality and women's empowerment will be indispensable to achieving the Sustainable Development Goals and the aspirations of Agenda 2063. African countries have made progress in promoting gender equality and women's empowerment. Evidence shows that there has been greater progress, especially in countries that introduced quotas for women's participation in political decision-making structures. In the light of the positive impact of quota systems in increasing women's participation and meaningful engagement in key political decision-making structures, African countries that have not introduced quotas may wish to consider doing so. But beyond this, there is a need for further measures to improve women's access to opportunities and productive assets.

98. Given the enormous challenges that African countries face in their pursuit of sustainable development, increased support from the international community through financing, trade, technology transfer and debt relief will be essential for supporting African countries in the implementation of the Sustainable Development Goals. While African countries have made progress in mobilizing more domestic resources to finance their development,<sup>18</sup> ODA remains an important source of development funding for many. Therefore, development partners should make efforts to increase ODA to African countries in line with the commitments they have made.

99. Furthermore, illicit financial flows from Africa rob the continent of vital resources for financing its development priorities. Stopping illicit flows and repatriating them to Africa will provide the region with increased resources to finance health, education, infrastructure and critical development needs. Development partners should support efforts by the African Union and African countries to bring a stop to this menace through improved transparency in the tax system as well as disclosing the full beneficial ownership structure of companies. Strengthening the capacities of African tax authorities, most of which are ill equipped to detect and tackle illicit flows, will go a long way in stemming such flows.

100. The African Peer Review Mechanism has become an important mechanism for promoting good governance in Africa, as shown by the growing number of countries that have joined the process. Despite this, the follow-up and implementation of the African Peer Review programme of action remains a serious challenge. To address this problem, African countries participating in the

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<sup>18</sup> See [A/73/270](#).

**Mechanism must mainstream their national programmes of action in country plans for the implementation of the Sustainable Development Goals and Agenda 2063.**

101. Owing to the lack of adequate domestic financing and declining concessional finance, African countries have had to borrow domestically and externally to finance investment in infrastructure. Although debt levels in many African countries remain below the levels that existed before the Heavily Indebted Poor Countries Initiative was launched and the risk of debt distress is low, the rate at which debt has increased in the past several years has raised concerns of a potential debt crisis. Therefore, measures must be taken to keep debt within manageable levels. Beyond this, there is a need to increase debt transparency across Africa, including the source and the purpose of debt.

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