



Economic and Social Council

Distr.: General
10 December 2008
Original: English

Commission on Sustainable Development

Seventeenth session

4-15 May 2009

Item 3 of the provisional agenda¹

Thematic cluster for the implementation cycle

2008-2009 – policy session

Policy options and actions for expediting progress in implementation: Africa

Report of the Secretary-General

Summary

This report examines policy options and practical measures to expedite implementation of the actions identified in the Johannesburg Plan of Implementation to promote sustainable development in Africa. It proposes elements of a broad development strategy for Africa focusing on the three pillars of sustainable development. It considers issues relating to economic growth and diversification, including increasing investment in infrastructure; increasing agricultural productivity and promoting sustainable agriculture; long-term investments in social and human capital; and preserving the environment and the natural resource base, including coping with drought, desertification, and climate change. The report also considers the necessary resources and institutions needed to support Africa's sustainable development agenda, including addressing conflicts, strengthening regional and national institutions, and ensuring that the international community delivers on its commitments to Africa.

¹ E/CN.17/2009/1.

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I. Introduction

1. At its sixteenth session – the review session of the third implementation cycle 2008-2009 – the Commission on Sustainable Development conducted an evaluation of progress achieved in the selected cluster of issues of “Agriculture, Rural Development, Land, Desertification, Drought and Africa,” as contained in Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation. The Commission identified constraints and obstacles as well as new challenges to and opportunities for implementation in the selected thematic cluster.

2. At its seventeenth session – the policy session of the current implementation cycle – the Commission will take decisions on policy options and practical measures to expedite implementation in the selected cluster of issues. The Commission’s session will be preceded by its intergovernmental preparatory meeting that will prepare a draft negotiating document for consideration by the Commission.

3. The present report is a contribution to the discussions at the intergovernmental preparatory meeting on policy options and practical measures to expedite progress on issues related to Africa. It responds to the challenges and obstacles highlighted in the report of the Commission’s 16th session. The cross-cutting issues, including the means of implementation, identified by the Commission at its eleventh session are addressed throughout the report. The report benefited from inputs received from the United Nations Environment Programme, the United Nations Economic Commission for Africa, the International Fund for Agricultural Development, the Stockholm Convention on Persistent Organic Pollutants, and the Major Groups. The report should be read in conjunction with the Secretary General’s reports on agriculture, rural development, land, desertification and drought, which will also be presented before the Commission’s intergovernmental preparatory meeting. Where necessary, cross-references are made to these reports.

A. The key sustainable development challenges facing Africa

4. While the African continent and its national and local economies and societies are highly diverse, there are overarching challenges identified in CSD-16 which need to be tackled if Africa is to progress down a path of sustainable development.

5. In spite of recent economic growth in many countries of the region, poverty continues to be Africa’s overwhelming sustainable development challenge. This is associated in most cases with inadequate access to modern energy and other basic infrastructure like safe drinking water and sanitation, irrigation for crops and well-maintained rural roads. In spite of successes during the last decade, poverty remains widespread. In many countries there is little evidence that the poorest are seeing an improvement in their circumstances. The effects of food price increases on the poorest populations in Africa are threatening to reverse recent progress in combating poverty.

6. Among the challenges facing Africa are increasing agricultural productivity and ensuring food security. While finding an adequate short-term response to the food crisis has been essential to provide support to the most affected countries, it is of paramount importance to find long-term solutions to structural imbalances in the food and agriculture system, as mentioned during the 16th session of the Commission² as well as in the High-Level Event on the Food Crisis.

7. The development of Africa's human capital is severely hampered by widespread disease and weak health services, as well as inadequate educational opportunities, in spite of recent progress in education. Africa is lagging behind in its progress towards the Millennium Development Goals. Among the challenges facing Africa are strengthening health-care systems and combating epidemics, in particular malaria and HIV/AIDS, and developing further the education system.

8. Deep poverty, increasing population and in some cases weak institutions have put pressure on the natural resource base. In particular, African forests are at risk, as are a number of Africa's fisheries. Land degradation and desertification affect a large portion of the continent. Water scarcity is widespread and projected to increase in the future in many parts of the continent due to population increase, growing agricultural water demand and climate change.

9. Despite progress, public sector governance remains weak in many countries. Policies and institutions do not favour productive private sector investment and entrepreneurship. Resource extraction has proven a lucrative source of income in recent years for a number of countries, but the equitable sharing and productive use of the revenues from those resources often remains elusive.

10. The promotion of a peaceful environment is a prerequisite for sustainable development. While conflict has abated in some places, serious conflicts continue elsewhere, posing a severe drag on economic and social development. In some places, prolonged conflict has further intensified degradation of the natural resource base.

B. The road to sustainable development in Africa

11. Faced with these daunting challenges, African governments and other stakeholders concerned to promote sustainable development have recognized the need for a holistic, multi-pronged approach which mobilizes all parts and levels of government and all members of civil society and the private sector, which looks at interlinkages and interrelationships across sectors and across the three pillars of sustainable development. Sustained progress in strengthening the economic and social pillars is essential if the environmental pillar is also to be reinforced.

² United Nations, Commission on Sustainable Development, Report on the sixteenth session (11 May 2007 and 5-16 May 2008), E/2008/29, E/CN.17/2008/17.

12. The remainder of this paper spells out key elements of a comprehensive sustainable development strategy for Africa. The focus is on identifying needed actions and the policy options and practical measures which governments and other stakeholders may adopt to support them. The details will vary from country to country, but there are many common features which broadly fall into three areas: sustainable economic growth, including through productivity improvements in agriculture, major investments in infrastructure, greater local value addition and economic diversification; policy and institutional measures to ensure a broad sharing of the benefits of growth, equitable access to wealth-creating assets, including education, and social protection for vulnerable populations; and measures to conserve and manage sustainably the natural resource base for present and future generations. The last part of the report examines how national, regional and international institutions can support Africa's sustainable development agenda.

II. Strengthening the Framework for Sustainable Development in Africa

A. Sustained growth through investment, upgrading and diversification

(a) Natural resources: from curse to blessing

13. For many African countries, oil, gas and minerals represent a major source of income. Their efficient and productive use for development is a high policy priority. Several African countries have adopted legal and regulatory frameworks governing the allocation and management of revenues from oil and minerals. A number have created mineral revenue funds.³ Some 15 African countries are listed as candidate countries to the Extractive Industries Transparency Initiative (EITI).⁴ However, lack of information on budgets at all levels of society is often a major limiting factor for achieving greater transparency.

14. African countries should aim to strengthen natural resource governance systems at all levels; reinforce institutional capacity, including human, technical and financial; adopt and implement effective policies and legislation; and foster stakeholder ownership and local participation in natural resources management and development. In this respect, the international community could continue to promote EITI and other transparency initiatives and provide technical support as requested to African governments intent on adhering to them.

15. The international community should also provide support to increase training and capacity building in central as well as local governments, NGOs and communities, and small and medium-sized enterprises (SMEs) aimed at improving project assessment including environmental assessment, investment planning, and project implementation. In particular, technical assistance and capacity-building programmes could be targeted at SMEs having the potential to provide services to multi-national corporations (MNCs) operating in the oil or mining sectors as well as to become competitive suppliers to development projects.

³ Botswana's Revenue Stabilisation Fund is often mentioned as a model mineral wealth fund.

⁴ EITI website, <http://eititransparency.org/implementingcountries>

16. Governments should aim to achieve better coordination between actors in the use of resource revenues, both between government levels and between different sector ministries and other institutions. National governments should ensure that civil society is involved in the selection and implementation of projects undertaken with proceeds from the extractive industries, including in producing communities, by providing adequate information channels and institutions for participatory decentralized governance. It is also important to ensure that, in revenue sharing schemes, adequate revenue is set aside to compensate host communities of extractive activities for associated environmental and social costs.

17. Countries that rely heavily on revenues from oil and minerals also need to diversify their economies, developing activities or industries that make the economy less dependent on minerals.

(b) Diversifying African economies

18. Diversifying economies across the continent is paramount to foster strong economic growth and to assist African economies in breaking out of poverty traps. Policies that foster industrial diversification, in particular through strong growth of non-traditional exports, can be especially effective in raising living standards and integrating large segments of the population into the formal sector.

19. At the international level, development partners need to ensure a favourable external environment and augment trade capacity building to support Africa's diversification thrust. Constraints to African diversification should be addressed to ensure greater market access for African products, including tariff and non-tariff barriers. Obstacles to local value addition, including tariff escalation, should be removed. Working towards a multilateral trade regime that provides greater opportunities for African countries to expand their industrial and other processed exports and to diversify and upgrade their export product mix is critically important (see section III.3).

20. The entry of developing-country firms and capital into Africa offers benefits for the host economies. Developing countries are providing much needed finance and investment in the face of dwindling investment from Northern countries.⁵ Southern firms make use of distribution, business network models, production processes and technology that are often more appropriate to African economies.⁶ Investors from the South are often more adept in dealing with economic conditions in Africa and tend to be less risk averse and more willing to deal with the informal governance arrangements found in many African economies.⁷ Southern firms are significant employment generators and often re-invest large amounts of their profits back

⁵ Dupasquier, C., and N. Osakwe, 2005, *Foreign Direct Investment in Africa: Performance, Challenges and Responsibilities*, African Trade Policy Centre, 21, United Nations Economic Commission for Africa, Addis Ababa.

⁶ UNCTAD, 2006. *World Investment Report 2006: FDI from Developing and Transition Economies, Implications for Development*, United Nations Publication, New York/Geneva.

⁷ UNCTAD, 2006, *op. cit.*

into African economies.⁸ This promotes backward and forward linkages within host African economies and thereby effectively supports host country domestic enterprise development.

21. Public investment in basic infrastructure, research and development, and education, are needed to support industrial diversification over time as African economies move into industries which are more knowledge-intensive.

22. African countries need to design diversification measures at three levels: trade and investment policies, macroeconomic policies, and institutional strengthening. More specifically, the following avenues could be pursued.

23. Trade policy options include:

- Targeted export promotion measures can be effective in encouraging diversification towards non-traditional exports that integrate domestic firms into international supply chains. These could include: tariff-free access to imported inputs; tax concessions; credit subsidies; provision of serviced land and infrastructure; development of standards, testing and certification institutions; government-sponsored export market promotion;
- Enhanced aid-for-trade initiatives can help African countries to build the supply-side capacity, diversify their economies and expand their trade more broadly.

24. Increasing private capital flows to Africa could be accomplished through a number of policies and actions by national governments, including:

- Reducing uncertainty and risks to investors. Political and macroeconomic stability, in conjunction with policy transparency and consistency, are paramount determinants to attracting greater levels of capital flows.
- Improving institutions surrounding the rule of law, in the form of property rights, contract enforcement and the strength and credibility of the judiciary.
- Curbing corruption, in the form of both explicit bribes and so-called “facilitation payments”.
- Creating investment-friendly regulatory frameworks, applied in a consistent, transparent and fair manner.
- Adopting active inward foreign direct investment promotion at national and sub-national government level, with greater focus on attracting Southern investors from China, India and South Africa and other countries.^{9 10}

⁸ Henley, J., S. Kratzsch, M. Külür, and T. Tandogan, 2008. Foreign Direct Investment from China, India and South Africa in Sub-Saharan Africa: A New or Old Phenomenon? Research Paper 2008/24, March, World Institute for Development and Economics Research, United Nations University.

⁹ UNIDO, 2007, Africa Foreign Investor Survey 2005, United Nations Industrial Development Organization, Vienna.

¹⁰ Henley et al, 2008.

- Targeting FDI from specific industries, originating from specific countries: e.g., encouraging FDI from Asian manufacturing firms wishing to offshore lower value-added tasks as a means of stimulating the African manufacturing sector.
- Improving the quality of the basic infrastructure in the form of roads, ports, railways and access to electricity needed to attract private investment.
- Creating special zones of competitiveness to attract FDI until the broader economic infrastructure can be significantly upgraded.
- Improving the quality and quantity of human capital, through increased investment in education and targeted skills investment, including public-private partnerships to provide technical education aimed at strengthening skills of domestic firms which are part of foreign firms' supply chains.

25. Positive impact of FDI on economic diversification can be enhanced by:

- Improving domestic capacity: creation of incentive schemes to encourage greater investment by firms in training, to enhance the skills of their workforces and facilitate technology absorption.
- Creating incentive schemes to encourage integration of domestic firms into the supply chains of foreign firms.

26. The promotion of small and medium sized enterprises and entrepreneurship is an effective mechanism of diversifying into new industries and services. Policies need to be instituted that provide the necessary support mechanisms to develop a thriving private sector based on SMEs, in particular by strengthening and establishing coordinated programmes of technical and financial support to SMEs with a view to facilitating their access to domestic markets and integration into global supply chains.

27. In addition to already mentioned policy options, among the specific actions which could strengthen the SME sector's competitiveness are:

- The design and creation of SME-supportive legal and regulatory systems;
- Providing financial and technical support to technical institutions that can assist domestic firms with compliance with international product standards;
- Assisting with technologies, organizational set-ups, design, marketing and logistics, enabling domestic firms to enter into more sophisticated sectors;
- Public support of venture financing to encourage greater risk taking by entrepreneurs in exploring new product markets;
- Managerial training and capacity-building;
- Common provision of market information and promotion services for SMEs, such as through trade fairs, international trade missions, and industry associations able to meet the specific needs of SMEs in particular industries;
- Favourable tax treatment for start-ups;

- Facilitation of SME access to bank credit for investment in productive capacity and working capital.

(c) Infrastructure development

28. Africa's infrastructure urgently needs extension, upgrading and maintenance. According to the MDG Africa Steering Group, the continent has serious limitations in energy infrastructure, including large-scale hydropower and transmission networks, and in infrastructure maintenance. Another high priority is the road network, including farm-to-market roads, national roads and transborder highways. Irrigation, safe drinking water and sanitation, and communications also require large investments. The Infrastructure Consortium for Africa has concluded that infrastructure needs are of the order of \$38 billion per year, about two-thirds of which is required for the energy sector.

29. Increased funding from a variety of sources—both public and private—for regional infrastructure projects is critical. African governments must make efforts to attract private capital for the funding of infrastructure projects. China and India, as well as other countries, have become significant investors in Africa. The new players have created greater opportunities for Africa's infrastructure development. African governments should also seek to attract sovereign wealth funds to Africa for investment in infrastructure—if these funds invested just one percent of their portfolios in Africa, this would generate significant new resources for investment in the region. The World Bank, African Development Bank and other actors can also facilitate investments in infrastructure by devising new and better instruments for underwriting and guaranteeing investments in so-called frontier markets.

30. Regulatory and pricing frameworks, as well as transparency and safeguards in public procurement procedures, will need to be strengthened to attract infrastructure investment. The sharing of best-practice models for regulations, pricing and maintenance cost recovery, and the capacity of multilateral banks and others to deliver technical assistance in this area, are central to these efforts. Governments should also continue to improve coordination for cross-border projects.

31. Investments in primary energy production capacity and distribution networks are urgently needed. Energy access, including for agriculture and rural development, should be given priority in countries' macro and sectoral policies. Capacity for planning and implementation of energy projects at all levels needs to be enhanced. Countries also need to act regionally to optimise energy resource use and expand investment in the energy sector.

32. Africa has tremendous potential for the production of renewable energy, including solar, wind, and hydropower. For homes and businesses in sparsely populated areas with no access to the public grid, solar panels, biogas and other small-scale energy sources such as micro-hydro could enable access to modern energy, thereby reducing the dependence on traditional biomass-based fuels. However, at present, many renewable energy sources remain expensive and untested at scale with current technologies. The challenge for African countries is to progressively include renewable sources of energy in diversified and affordable energy mixes.

33. Increased investment in renewable energy projects in Africa could be stimulated in particular by: moving toward a global system for internalizing the cost of carbon emissions; using carbon charges to guide project selection using the new bilateral and multilateral clean technology funds available to finance the incremental cost gap between low-carbon and fossil fuel-based power; and improving African capacities to use the existing financing instruments. Multilateral institutions can also play a central role in generating aggregate global demand for renewable sources of energy which is large enough to affect learning curves.

34. Many African countries are witnessing a rapid increase in biofuels production. Well-designed biofuels production models exploiting land not suitable to food crops have the potential to increase rural energy access, raise incomes of rural communities, and contribute to land regeneration. However, there are also substantial risks associated with massive biofuels production in land suitable for growing food, including land dispossession and local community impoverishment, as well as loss of biodiversity and increased food insecurity resulting from competition for productive land.¹¹ Therefore, while biofuels represent an opportunity for many African countries, economic, legal and institutional frameworks have to be put in place to ensure that national food security is not jeopardized and that production systems are organized in a way that benefits local communities.

35. Investment in new roads and adequate maintenance of existing roads is critical to enable economic development. Rural road infrastructure is especially important in countries where agriculture still constitutes the economic backbone. Yet, as road investments can have significantly environmental impacts, these need to be factored into investment plans and project design. Investments in roads should be accompanied by adequate measures to address road safety, for both existing roads and new construction.

36. Along with the rapid rate of urbanisation, the food crisis and the need to improve agricultural productivity compound the need to address the issue of water infrastructure.

37. Meeting the Millennium Development Goal 7 target of halving, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation will require investing in infrastructure, prioritizing water and sanitation-related interventions in national development plans, scaling up good practices, improving the governance of public utilities, enabling equitable and affordable access, devising targeted capacity-building strategies to ensure the sustained provision of water and sanitation services, including through proper maintenance of existing systems and empowering communities in rural areas to manage water and sanitation systems. In order to close the gap, national expenditures on and international aid flows to water and sanitation will need to increase significantly. .

38. Improving water availability for agriculture is a high priority, as is more efficient water management. Some parts of the continent could benefit from investments in extending

¹¹ Cotula, L., N. Dyer and S. Vermeulen, 2008, Fuelling exclusion? The biofuels boom and poor people's access to land, IIED and FAO.

irrigation networks, having large untapped endowments of water resources. In other parts of the continent, however, renewable water is limited and will come under greater pressure in the future, so improved water use efficiency must take precedence.

39. Despite rapid diffusion of ICT in Africa, the digital gap with developed countries is widening. No specific numerical targets for the global partnership on technology have been defined. Recommended actions include: formulating national information and communications technology (ICT) strategies aligned with broader development strategies; continuing to facilitate the emergence of mobile phone service providers and providers of associated services with developmental benefits (e.g., mobile banking); expanding both basic infrastructure (such as electricity supply) and infrastructure facilitating ICT, especially in low-income countries.

40. Many African countries have high rates of urbanisation. Measures aimed at promoting sustainable human settlements include access to land and security of tenure, slum upgrading using local resources and technology, sound urban land use and transport planning, and productive employment creation (see the Secretary General's report on Land). Local authorities need resource mobilization capacities commensurate with their responsibilities for planning, developing and managing sustainable cities.

41. It is essential to ensure that human and civil rights of the slum dwellers are upheld and protected in order to prevent their further political, economic and social exclusion. Strategic partnerships with international and regional financial institutions can help scale up country-level slum upgrading programmes. Finance for low-cost housing should be mobilized by using multiple channels, including micro-finance and remittances.

(d) Agriculture and rural development: transforming potential into reality

i. Tackling the food crisis

42. Africa has been severely affected by the recent global food crisis. As such, the continent should receive particular attention from the international community as regards actions taken to address short-term needs. In the face of the global food crisis, it is essential to provide: emergency food assistance to groups and regions at greatest risk; enhanced, quick-disbursing compensatory financing for low-income countries that face adverse effects as a result of high food prices; and effective and efficient social safety nets to minimize the adverse consequences for the poor (see the Secretary-General's report on agriculture).

43. In the medium term, finding ways to make food markets more reliable and predictable and less volatile is of primary importance to all African countries. In that regard, a high-level reflection group could be put in place by the African Union to propose adequate solutions at the regional level, based on solid analysis of the contribution of various factors and policies to food prices. A first priority should be policies and measures to improve agricultural productivity. A second direction of work concerns the allocation of land to uses other than food production, including biofuels. In that context, it is also imperative that developed countries review their biofuel subsidies and mandates. A third direction would consider how to improve

market infrastructure and price information systems, through for example the broader development of commodity exchanges. Other solutions might include the creation of regional or sub-regional grain reserves to which countries facing food shortages could be assured access. Other forms of insurance against food shortages or high prices should also be promoted and adapted to the African context.

44. Especially in the wake of the recent food crisis, Africa has been the focus of interest by foreign investors, as countries outside the continent seek to address their own food security concerns, stimulating investment in Africa-based, export-oriented food production. There is also growing interest in African biofuel production. While this may present an economic opportunity for Africa, there is a clear risk of adverse economic and social impacts. At the national level, food security could be jeopardized even as foreign food security improves. At the local level, local communities could be outbid for productive land or simply deprived of land because of insecure land tenure. Avoiding the large-scale transformation of self-sustaining communities into food-dependent landless wage labor will be critically important. African countries should contemplate putting in place the necessary studies, legal and regulatory frameworks, and safeguards to ensure that foreign investment in land and agriculture is indeed beneficial to them. This could be undertaken as part of broader land policy reforms aimed at improving the functioning of rural land markets and land tenure. The international community should support that endeavour through technical advice, capacity building and economic and social studies.

ii. Increasing investment in African agriculture

45. Africa needs significantly increased investment in agriculture. International support to African agriculture, including agricultural R&D, must be scaled up. African countries should strive to meet the stated objective of devoting at least 10 per cent of national budgets to agriculture and rural development (at present, the average is only 3-4%), as stated in the Maputo Declaration on agriculture and food security and the Abuja Declaration on fertilizers. There is a need to define the core areas for the 10 per cent budget allocation, to establish a comprehensive mechanism for monitoring progress towards the target (bearing in mind that a significant share of public agricultural expenditures are often off-budget), and to build national and regional capacity to track expenditure on agriculture.

46. Stimulating Africa's agricultural sector will depend upon significantly raising capital investment. This will require: maintaining and improving price incentives (including by encouraging competitive input markets); channeling more public spending and foreign aid to rural communities (including for local infrastructure); and tapping into the savings potential of farmers. Innovative financing models, including subsidies and microfinance schemes for small farmers, can contribute to raising smallholder investment.

47. The trade regime has to be fixed, including through drastic reductions to domestic support and elimination of export subsidies on agricultural production in developed countries. In the short term, removing these subsidies may lead to higher world food prices, so least-

developed countries that are net food importers may need compensatory financing to ease adjustment.

iii. Making agriculture more productive and sustainable

48. Significant new investments are needed to raise agricultural productivity. Governments and the international community must make every effort to invest substantial resources in the development of new seed varieties, extension systems, and key inputs such as fertilizer, in order to boost the production of food. Institutions – at the international, regional, national and local level – that are focused on the development of new technologies that will increase crop yields or improve resistance to drought and disease should be provided with adequate resources. One positive development is the renewed interest in regional and sub-regional approaches to agricultural research in Africa. Through such regional networks, technological innovations made in one country can quickly impact research in other countries with similar agro-climatic conditions.¹²

49. Increased productivity needs to be accompanied by improved harvesting, storage, distribution and marketing. At present, post-harvest losses claim up to 40 percent of some crops in sub-Saharan Africa. Measures to reduce wastage and spoilage and facilitate farm-to-market links include: better extension services; road infrastructure and other investments, e.g., in better processing equipment and facilities and strategically placed storage facilities (grain silos); coordinated distribution and marketing programmes, including through cooperatives; and initiatives to create more dynamic regional markets. The private sector has an important role to play in supply and marketing chains.

50. Other supply-side constraints in Africa which need to be relieved, especially to stimulate value-added agriculture for export, are inadequate product certification and testing facilities to meet sanitary and phyto-sanitary (SPS) requirements, as well as relatively weak logistics infrastructure (e.g., cold chain facilities for fresh produce) to be able to deliver products at the price and in the volumes, quality and timing required by international buyers.

51. Achieving a green revolution for Africa may require a paradigm shift in agricultural models employed. Due to conditions which are common in Africa, such as low soil productivity and organic content and limited rainfall in a number of regions, as well as low purchasing power of farmers, adopting models that have been successful in Asia based on heavy utilisation of fertilizer, other chemical inputs and irrigation would not be well adapted to all parts of Africa. Alternative models based on sustainable land, soil and water management practices and agricultural techniques could still make possible significant yield improvements. Such techniques may be especially well adapted to arid and semi-arid regions, helping to address the pervasive problem of desertification while avoiding some of the deleterious environmental impacts of fertilizer and agricultural chemical pollution. Effective means must be found so that advances in science and technology reach small farmers.

¹² IFPRI, 2006, Beintema et al.

52. The paramount role of women in agriculture must be better recognized, and measures to boost productivity and sustainability must involve them.¹³ Using participatory approaches to involve women in the design of products that are intended for their use and in the planning of services that are intended to reach them can inform technology development and the targeting of services, making them more demand-driven and relevant for this major group of prospective users.

iv. Adapting agriculture to climate change

53. Adapting African agriculture to climate change will require action on several fronts. At the national level, it will be critically important to enable and support the adoption by farmers of techniques allowing adaptation of the agricultural production system to climate change, some of which have been spontaneously adopted by farmers. This could be done through: awareness-raising campaigns on the effects of climate change; training of technical staff, including extension agents, in soil and land management and water conservation techniques; provision of extension services to farmers in adaptive production methods, growing of adapted crop varieties, etc. At the regional level, exchanges and dissemination of experiences between countries facing similar climatic conditions, including direct exchanges between farmers or farmers associations, should be encouraged and supported by regional economic institutions and the international community.

54. Increased research into climate-resilient varieties suitable for African growing conditions will be needed as well as their widespread dissemination. A related goal for the international community should be to conserve the widest possible base of bioplasms, as an insurance against future climate change.

55. Devising risk mitigation and adaptation strategies well integrated into economic planning is critical to addressing vulnerability to weather in many African countries. Examples of such strategies already put in place include early warning and response systems for drought (Ethiopia); an integrated flood management system in Mozambique; dissemination of meteorological information and incorporation into farmer's practices (choice of crops, decisions to sow, etc.) in Mali¹⁴; and the introduction of index-based weather insurance products for farmers in Malawi.¹⁵ More generally, strengthening water management institutions will be of critical importance.

¹³ United Nations, High-Level Event on the Millennium Development Goals, 25 September 2008, Background note by the Secretary-General, 08-40768 (E).

¹⁴ International Research Institute for Climate and Society (IRI), 2007, Climate Risk Management in Africa: Learning from Practice, Climate and Society No.1, http://portal.iri.columbia.edu/portal/server.pt?open=18&objID=1309&parentname=CommunityPage&parentid=0&mode=2&in_hi_userid=2&cached=true

¹⁵ Syroka, J., and E. Bryla (2007), Developing Index-Based Insurance for Agriculture in Developing Countries, Sustainable Development Innovation Brief No.4, March, <http://www.un.org/esa/sustdev/publications/innovationbriefs/no2.pdf>.

B. Improving Social Welfare and Investing in People

(a) Improving welfare through better education

56. Access to primary education has progressed. Over time most countries have registered marked increases in primary enrolment, as well as reductions in the gender gap in school attendance.¹⁶ National policies have contributed to these results.¹⁷ However, sub-Saharan Africa continues to lag behind other regions with respect to the MDG2 target. The quality of education remains poor in many contexts, with impoverished children less likely to attend and finish school and students in many countries recording low levels of achievement in core subjects. Gender disparities in education are still evident in some countries.

57. Governments need to raise domestic spending on education to 15 to 20 per cent of national budgets, giving priority to basic education. As most resources for education come from national budgets, multilateral and bilateral assistance can play a significant role in providing predictable budget support. Additional efforts have to be made to improve aid effectiveness for education by strengthening the capacity of national education systems to improve access to quality education for all.

58. Strategies that have proven effective for increasing school enrolment and retention include: eliminating school fees, particularly for low-income families; providing cash transfers to poor families conditional on their children's school enrolment or attendance; offering free meals and basic health services at school to improve children's health, nutrition and cognitive development; expanding pre-primary school educational programmes; and ensuring an attractive environment that will encourage the enrolment of girls and reduce absenteeism and dropout rates, such as providing separate sanitation facilities for girls. Community outreach and advocacy campaigns, early education programmes targeting girls and hiring more female teachers to act as role models can also promote girls' school attendance. To improve the quality of education, it is also necessary to train more teachers and effectively retrain and strongly motivate those in the profession. Ensuring adequate teaching materials and distributing textbooks free of charge are equally important.

59. It is also important to strengthen the role of higher education, including centres of excellence and research institutions in Africa. There is also need for policies and actions centered on life-long education (including non-formal sector and continuing education), as focusing only on formal school systems misses out the majority of population in terms of raising literacy rates and upgrading skills.

60. Countries affected by or emerging from conflict typically lag far behind in achieving social targets. Hence, ensuring education must be an important part of any humanitarian

¹⁶ United Nations, 2008, Trends in Sustainable Development: Africa Report.

¹⁷ United Nations, 2007, Africa and the Millennium Development Goals, 2007 update, <http://www.un.org/millenniumgoals/docs/MDGafrika07.pdf>

response to post-conflict and emergency situations, including the establishment of safe learning spaces and the use of innovative solutions to restore educational systems.

(b) Improving health systems

61. Achievement of agreed international goals on health depends on well-functioning health systems able to deliver services in a gender-sensitive manner appropriate to the different stages of life. Of particular concern is the extension of health services to poor and underserved populations, such as those living in rural areas or urban slums, including through innovative and participatory approaches to health delivery at the community level.

62. Health infrastructure and personnel are still largely inadequate. As a whole, Africa lacks the infrastructure, facilities, and trained personnel necessary to deliver adequate levels of health services. Sub-Saharan Africa is home to just three percent of the world's health workers.¹⁸

63. Global resources and interventions should help strengthen health systems by training additional health personnel and by building primary healthcare facilities and clinics to improve basic health services.

64. At the national level, actions to address health personnel deficiencies include: training more health professionals, including doctors, nurses, and local community health workers with a particular focus on prevention and home-based care; ensuring that rural areas are adequately served by health workers through, e.g., linking state support for health education to mandatory rural service; providing opportunities for nationals working as health professionals overseas to return to their home countries/communities to render service on a temporary basis, including by training local health personnel.

65. African countries continue to face the challenge of deadly diseases. In the case of malaria, in September 2008 the international community launched the Global Malaria Action Plan (GMAP) at the United Nations in New York. The GMAP is designed to advance the goals of the Roll Back Malaria Partnership, including to achieve and maintain universal coverage by 2015 of effective preventive and treatment interventions and to bring near to zero the number of preventable malaria-related deaths.

66. Successfully fighting malaria supposes a holistic approach, which includes vector control (by environmental management and use of bio- and other pesticides); prevention, of which a successful example is investment in insecticide-treated bed nets; use of affordable anti-malarial treatments; better data on prevalence and transmission of the disease; and community involvement. It is also urgent to scale up other proven and cost-effective preventive and curative interventions, such as those identified by the Roll Back Malaria Partnership. For that, additional funding will be required.

¹⁸ IFC and World Resource Institute (2007), *the Business of Health in Africa: Partnering with the private sector to improve people's life*, Washington, DC.

67. Responding to HIV/AIDS requires a long-term, multi-stakeholder and multi-sectoral approach based on national plans that ensure the involvement of all relevant sectors, including health, education and social services. Scaling up HIV prevention is essential to control the epidemic. Treatment and care programmes also have to be strengthened. In particular, actions at all levels should be taken to:

- increase the spatial knowledge of the epidemic and make it available to decision-makers, including through strengthened monitoring systems;
- increase access to antiretroviral therapy for infected people, building on the significant progress made to date, and focusing in particular on HIV-positive pregnant women;
- step up education campaigns in order to raise awareness of the HIV transmission modes and the ways to prevent infection among all segments of the population, and in particular men and women aged 15 to 24;
- provide adequate access to HIV prevention services to population groups especially vulnerable to infection, including ensuring adequate legal protection against discrimination.

68. The international community should support African countries to reach the Millennium Development Goal target of providing affordable access to essential drugs. Efforts need to be stepped up by adopting clear targets and intensifying interventions to expand the access of poor people in developing countries to essential medicines at a reasonable cost.¹⁹ Additional funding must be committed for the global partnership in regard to affordable essential drugs, including through innovative mechanisms such as the pilot Advance Market Commitment launched by the Global Alliance for Vaccines and Immunization (GAVI) to support development of a new vaccine for pneumococcal disease.

69. At the global level, pharmaceutical companies should adopt differential pricing policies that significantly reduce the price of essential medicines in developing countries, produce generic drugs, and increase funding for research and development in respect of essential drugs for neglected tropical diseases. African countries could make better use of their rights under the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) to issue compulsory licenses to import life-saving drugs.²⁰

70. Among the policy options which would advance progress on access to essential medicines and health care in Africa are: the elimination of taxes and duties on essential drugs; updating national lists of essential medicines; adopting generic substitution policies for essential medicines; adopting mechanisms for regular monitoring of medicine prices and availability; encouraging pharmaceutical companies to reduce prices of essential medicines in

¹⁹ United Nations, High-Level Event on the Millennium Development Goals, 25 September 2008, Background note by the Secretary-General, 08-40768 (E).

²⁰ *Idem*.

developing countries where generic equivalents are not available; removing barriers to local production; ensuring transparent and reduced markups on essential medicines and monitoring medicine prices to ensure affordability.

71. At the international level, it is critical to increase funding for research and development on medicines relevant to developing countries, including for neglected diseases. There is a need to establish multi-year commitments on ODA for education and health to poor countries, in line with the Paris Declaration principles, and promote mechanisms to increase substantially multi-country funding for the research and development of essential drugs to treat tuberculosis, malaria, HIV/AIDS and other infectious diseases. Ensuring predictable and sustained funding for a long-term response to the HIV/AIDS epidemic is particularly important. It is also important to increase aid effectiveness by supporting national health plans and strategies that are results-oriented, and to promote mutual accountability monitored at the global and national levels.

C. Preserving the environment and the natural resource base

(a) Better management of renewable natural resources

72. Environmental degradation can undermine efforts aimed at sustainable development and therefore the Millennium Development Goals, as the rural poor, in particular, often depend on the natural resource base for their livelihoods. Such degradation erodes the natural resilience and adaptability of ecosystems. The urban poor also suffer from degraded conditions in rapidly growing slum communities. Integrating environmental concerns into the mainstream of development policy, planning and investments therefore remains an urgent priority.²¹

73. Forests play an important economic role in many African countries, by providing ecosystem services for resident populations as well as being a source of food and other non-timber products. Loss of forests is contributing to climate change, loss of biodiversity and increased risk of natural disasters, and is threatening the livelihoods of forest-dependent rural families and indigenous peoples.

74. Monitoring the expansion of logging in the last dense humid forest of Central Africa is not only important for biodiversity conservation but also for climate change.

75. To slow and eventually halt deforestation, many forest-rich countries need financial resources, as well as improved technology and capacity, to implement sustainable, participatory forest management and conservation practices that are consistent with national development strategies. Innovative financial mechanisms are urgently needed (locally, nationally and internationally) to raise significant revenue for the sustainable management and conservation of

²¹ United Nations, High-Level Event on the Millennium Development Goals, 25 September 2008, Background note by the Secretary-General, 08-40768 (E).

forests, including through payments for ecosystem services and other mechanisms to provide incentives to avoid deforestation.

76. There are promising examples of community-based conservation and rehabilitation of natural resources and ecosystems that reduce poverty. In parts of the African Sahel, where desertification is contributing to poverty, decentralization of the authority to manage and benefit from local resources shows promise of reversing earlier forest losses. Innovative programmes to incorporate local peoples into the sustainable management of forests show potential but thus far only represent a small fraction of forest land (see SG's report on land).

77. Africa has a large and diverse heritage of flora and fauna. Available trends show that biodiversity loss on the continent continues, although not necessarily faster than in other regions of the world.²² Among the main causes of biodiversity loss is land use change. Overexploitation of natural resources, pollution of ecosystems, and the introduction of exotic species are also important drivers of biodiversity loss. More and more fish stocks are overexploited as a result of poorly regulated fisheries access and the expansion of industrial fishing fleets. Last but not least, climate change is a main threat for biodiversity and natural ecosystems in the future.

78. Among the measures which could address these challenges are increased funding and capacity building for resource conservation, including for effective management of protected areas and endangered fisheries, with support from the international community; scaling up of programmes and initiatives that provide economic benefits to the poor from conservation and sustainable resource management practices; development and implementation of pro-poor, participatory and community-based natural resource and ecosystems management systems.

79. Although Africa as a whole is estimated to use only about five percent of its renewable freshwater resources, there are great disparities in water availability and use between and within African countries. In arid and semi-arid areas, water is becoming one of the most critical natural resources. In many places, freshwater resources are being severely depleted and degraded. Climate change will exacerbate these problems, including through more frequent droughts and floods. Some ecosystems, such as lakes and marine areas, remain largely unprotected. Pollution of water resources is on the increase, thus putting additional stress on available water resources.

80. More effective ways to conserve, use and manage water resources are needed to meet continuously increasing demand and to ensure equitable access nationally and internationally. Investments in physical infrastructure should be combined with demand management measures to improve water use efficiency, especially in agricultural water use. Action is also needed on the appropriate water resource governance structures to promote the sharing and best use of those resources. Integrated water resource management (IWRM) should be promoted in line with agreed commitments.

²² Millennium Ecosystem Assessment, Biodiversity Report.

81. Problems caused by heavy metals and persistent organic pollutants (POPs) have been recognized as significant and widespread environmental concerns in Africa. Without appropriate control measures, they pollute soils, water and air, accumulate in human tissue inducing potential genetic and reproductive consequences, contaminate food chains, and cause loss of productivity due to ill health or loss of biodiversity. Chemical wastes from industry and agriculture are a significant source of contamination. A major concern relating to mercury is its use in artisanal and small-scale gold mining. A recent study conducted by UNEP on the movement of products containing heavy metals such as lead, cadmium and mercury has shown major movements of these substances in trade, with a significant contribution being from the movement of electronic equipment intended either for use or recycling within Africa. Stockpiles containing obsolete pesticides are also a pervasive problem. Continuing to provide African countries with support to improving and enforcing regulation of chemicals use and devising practical ways to manage chemicals are therefore a priority for the region.

(b) Dealing with drought, desertification, and climate change

82. Desertification is a global problem that requires a global response through concerted efforts among all concerned stakeholders. Of particular importance to Africa is the need to ensure adequate commitment for the implementation of the 10-Year Strategic Plan and Framework to enhance the implementation of the United Nations Convention to Combat Desertification (UNCCD) and the related decisions adopted at the Eighth Session of the UNCCD Conference of Parties, which provide important guidance on UNCCD implementation for the period 2008-2018.

83. There is a need to integrate priorities identified in the National Action Programmes to combat desertification (NAPs) into national development plans, including PRSs, as a means to mobilize resources and to foster medium- and long-term political commitment for drought mitigation and desertification control.

84. Better land management and agricultural practices are thought to be one of the key factors at the source of all the success stories in terms of land regeneration. Soil and water conservation techniques, including planting trees on contour ridges or furrows and cut-off ditches associated with half-moon micro-catchments, aim at reducing erosion and runoff. Agroforestry innovations, including the development of woodlots, agroforests planting and assisted natural regeneration techniques, also contribute to rehabilitating drylands and improving biodiversity conservation and carbon sequestration.²³

85. In addition, evaluations of successful experiences in land regeneration point to a number of policy options that governments could contemplate. Reforms of Rural Codes allowing for increased security of real property and land tenure (e.g. regarding the ownership of trees),

²³ Roy-Macauley, H., A. Kalinganire, Agroforestry Innovations for Greening Dryland Africa: Interest And Obstacles, paper presented at the International Conference on Agricultural Innovation in Dryland Africa – What are Key Drivers for Success, held in Accra (Ghana), 22 to 24 January 2007. http://inco-aida.cirad.fr/news_conference

associated with changes in the role of forestry agents, have played a key role in Niger. Other conditions that have enabled successes include programmatic shifts from donors and the government towards increased attention to micro-finance, literacy training, enterprise development, economic incentives and livelihood issues; support for capacity building, institutional development, grants to local NGOs, and training at forestry schools and universities; and the creation of linkages and partnerships between agriculture and natural resource management, rural producers and urban markets, farmer-to-farmer exchanges, public sector institutions and the private sector, and applied research and business development services.²⁴

86. Due to the extreme within- and across-country variability in terms of climate conditions, landscape, soil, as well as institutions and existing agricultural practices, transferability of best practices in land regeneration has proven to be limited. However, there is agreement that in order to be successful, land regeneration efforts should address all sides of the equation, including the legal and regulatory framework regarding land and property rights. Successful interventions have taken a long time to bear fruit. The most successful ones have involved local communities closely. It would be important to build on accumulated experience²⁵ to devise comprehensive capacity building programmes for African countries fighting desertification. Most of the needed experience is within Africa, but resources should be devoted to support the dissemination of this experience.

87. Africa is highly vulnerable to extreme weather events. Impacts of natural disasters tend to be particularly high in Africa, both in terms of number of people affected and in terms of mortality from droughts and floods.²⁶ A large portion of African territory is also located in the top deciles for economic losses due to drought.²⁷ Climate change is intensifying a variety of disasters, including extreme weather events, storm surges, floods and droughts. It is therefore vital that national development strategies incorporate measures aimed at strengthened community resilience through economic development, increased income diversification, strengthened natural and infrastructural defenses, and improved disaster preparedness.²⁸

88. Improving the network of weather stations across the continent is critical, not only to provide quality data to enhance the ability of models to capture the reality of regional climate patterns, but also to enable the creation and improvement of systems that need good climate

²⁴ CILSS, USAID, GTZ, SDC, 2005, Etude du Sahel, Rapport étude pilote Niger, prepared by Yamba Boubacar, Mahamane Larwanou, Abdou Hassane, and Chris Reij in conjunction with International Resources Group (IRG), April 2005, available on www.cilss.bf.

²⁵ Where the Land is Greener, WOCAT, 2008.

²⁶ IBRD/The World Bank and Columbia University (2005), Natural disaster hotspots: A global risk analysis – Synthesis Report, <http://sedac.ciesin.columbia.edu/hazards/hotspots/synthesisreport.pdf>

²⁷ ISDR (2007), Disaster Risk Reduction: 2007 Global Review Consultation Edition, Prepared for the Global Platform for Disaster Risk Reduction, First session, Geneva, Switzerland, 5 - 7 June 2007, ISDR/GP/2007/3.

²⁸ United Nations, General Assembly, Africa's development needs: state of implementation of various commitments, challenges and the way forward, report of the Secretary-General, A/63/130, 2008.

data as input, such as early warning systems for flood and famine as well as weather insurance for agriculture.

89. Climate-proofing of infrastructure, by anticipating and factoring changes in climate into infrastructure design and construction, is critical. More broadly, incorporating climate factors such as rainfall variability into economic modelling and forecasting should be a priority for infrastructure policies and planning. There is a need for joint planning of agriculture infrastructure, such as irrigation schemes, and other infrastructure that are a complement to agricultural production, such as roads. In order to achieve this, it is important to foster coordination between sectoral institutions such as ministries of transport, public works, agriculture, and finance. Coastal zone management, water management, disaster risk reduction, and health systems (especially with regard to malaria and dengue fever) are also important areas of climate change adaptation.

90. For many African economies that depend on agriculture, diversification away from climate-sensitive activities should constitute a priority. Investments in education are also important, insofar as education enhances people's adaptive capacities.

91. The international community should support African countries' mitigation and adaptation efforts and climate-proof all projects and policies intended to achieve agreed development goals. Substantial financing is necessary to climate-proof infrastructure, strengthen responses to disasters, and build capacity to support adaptation planning and implementation. Appropriate resources and corresponding financial mechanisms should be put in place to address these needs.

92. Africa has hardly benefited from resource flows through of the Clean Development Mechanism (CDM) of the Kyoto Protocol. Only a handful of CDM projects have been approved so far, whereas a few more have been submitted for approval. This stands in contrast with countries such as China, India, and Brazil, which have been successful in mobilizing CDM resources. Several issues need to be addressed by African countries and international institutions in order to allow CDM to play a substantial role in Africa's development. Those include: raising awareness of governments of the instrument; making the region more attractive to investors; building local capacity to develop projects and instruct them; and finding appropriate ways to reduce transaction costs, which are currently high with respect to the size of individual projects in Africa.

III. Improving Institutional, Technical and Financial Support to Sustainable Development

A. Conflict resolution

93. The international donor community has pledged technical and financial resources to assist African Governments in their commitments to eradicate violent conflicts. Overall, these

commitments have led to tangible results.²⁹ The trend and efforts towards peace, stability and democratisation should be supported and consolidated.

94. Despite this progress, levels of funding are still inadequate. Most aid remains devoted to peacekeeping or peace-enforcement missions, rather than conflict prevention or post-war reconstruction. The African Union's potential as a homegrown peacekeeping body and regional forum is severely limited by resource and capacity constraints. The African Standby Force is yet to achieve its stated objectives and suffers from a severe lack of funding.

95. The donor community should concentrate its efforts on conflict prevention/early warning, post-war reconstruction, peacekeeping and peace enforcement in order to achieve a conflict-free Africa by 2010, as stated in General Assembly resolution 61/230. Support to the early warning mechanisms of the Intergovernmental Authority on Development, the Economic Community of West African States, the Economic Community of Central African States, the Southern African Development Community and the overall All Continental Early Warning System should be intensified.³⁰ More generally, there is a need to build and enhance national capacities in Africa to prevent and resolve disputes over land, water, and natural resources that may result in violence.

96. In order to resolve existing conflicts and prevent new ones, international support for NEPAD is critical. The G8 in particular needs to follow up on promises to provide sustained financial and other support to African peacekeeping. More broadly, the African Union must be supported in its efforts to strengthen its capacity to address the problems with which it must cope, including the provision of transport, logistics support, and humanitarian aid to Africa's conflict zones.

97. Countries emerging from conflict face a unique set of challenges and, unless they are identified and effectively addressed, these countries incur a high risk of relapsing into violence. The international community should support countries in transitioning from security management to development planning, including through supporting the new peacebuilding architecture established by Member States in 2006, which comprises the Peacebuilding Commission, the Peacebuilding Support Office and the Peacebuilding Fund.³¹

B. National and regional institutions: responding to the challenges

98. At the end of 2007, some 15 African countries had implemented national sustainable development strategies,³² but an implementation gap remains between the commitments in those strategies and progress on the ground. It is important to integrate national sustainable

²⁹ United Nations, General Assembly, Africa's development needs: state of implementation of various commitments, challenges and the way forward, report of the Secretary-General, A/63/130, 2008.

³⁰ *Idem.*

³¹ United Nations, Millennium Development Goals Report 2008.

³² UNDESA Division for Sustainable Development, Global Map.

development strategies with other development planning processes, such as poverty reduction strategies.

99. Crucial to making progress towards sustainable development is broad public participation, including the poor and marginalized groups, in decision-making and implementation. To this end, support is needed for building human capacity for effective participation.

100. It is important to integrate further the New Partnership for Africa's Development (NEPAD) into African Union (AU) structures. The international community should scale up support for the implementation of various programmes under the auspices of NEPAD. In particular, NEPAD has a critical role to play in: reinforcing governments' reform efforts; strengthening further regional integration; helping countries adapt to climate change; and supporting African agriculture through the NEPAD Comprehensive African Agricultural Development Programme.

101. African States should strengthen mechanisms for participation, inclusion and empowerment of all segments of society in the political and development processes. The African Peer Review Mechanism needs to be strengthened to achieve its full potential. Review exercises need to be followed up with concrete policy actions. There is a need for all actors - governments, citizens, media and civil society - to engage in an active dialogue and to take a proactive role in the implementation of the Mechanism and of NEPAD in general.

102. Regional cooperation and integration has the potential to support national development strategies and fill some of the gaps in the global economic governance system. African leaders have committed themselves to establishing a continent-wide economic and monetary union by 2028. Renewed commitment and concrete actions from African leaders are necessary to accelerate this regional integration. Developing efficient regional and sub-regional markets could help stimulate industrial development by enabling producers facing small domestic markets to reap economies of scale. Measures to achieve this include the removal of domestic market impediments and 'between-the-borders' impediments inhibiting cross-border trade.³³

C. Challenging the international community and its engagement with Africa

103. The Millennium Development Goal target of dealing comprehensively with the debt problems of developing countries has not been achieved in full. Additional actions need to be taken to relieve the debt burden of countries not part of the Enhanced Heavily Indebted Poor Countries Initiative (e-HIPC). In addition, in all indebted countries debt relief will require complementary efforts to keep debt levels sustainable. Actions at all levels are needed to: strengthen national debt management systems; remove obstacles that delay e-HIPC completion, including additional resources for countries that have not yet reached completion point; encourage non-Paris Club official bilateral creditors and private creditors to provide

³³ Broadman, H.G., 2007, Africa's Silk Road: China and India's new economic frontier, The World Bank, Washington, DC.

comparable relief on HIPC terms for eligible outstanding debt; review and improve the existing Debt Sustainability Framework; establish an orderly sovereign debt restructuring process for non-HIPCs with debt distress; and increase bilateral resource allocations to grant assistance rather than concessional lending.

104. The international community should make all efforts to ensure that commitments to double ODA to Africa by 2010³⁴ (from \$25 billion in 2004 to \$50 billion, in constant US dollars) are being met. Preliminary data for 2007 show that, excluding debt relief, bilateral ODA to the region has increased by no more than 9 per cent since 2005.³⁵

105. Increases in the volume of ODA should be accompanied by improvements in ODA quality and predictability. As called for under the Paris Declaration on Aid Effectiveness adopted in 2005, ODA needs to be aligned with the priorities and systems of recipient countries so as to increase the likelihood that it will be spent effectively. The global donor timetables for ODA programming established in 2005 also need to be broken down for country-level delivery schedules. Developed countries should make available to each recipient country reliable medium-term schedules for future ODA flows.³⁶

106. Commitments on improving aid effectiveness need to be met. Accelerated progress towards meeting the targets set in the Paris Declaration is necessary and should not only help to improve the predictability of aid and avoid aid fragmentation and high transaction costs in the administration of aid resources, but should also reduce the degree of aid tied to the purchase of goods and services provided by donor countries and contribute to improving the alignment of aid flows with national budgets, thus broadening the policy space for countries to define their own development priorities. It is also important for donors which are not members of the Development Assistance Committee to be cognizant of national ownership.³⁷

107. Many African countries have been unable to take advantage of trade preferences in developed country markets. While on average tariff protection remains high in developed countries for some agricultural products, much of Africa faces relatively low tariffs as a result of preferential treatment received under the Generalized System of Preferences, the Cotonou (ACP) and Everything But Arms (EBA) schemes in the EU and the African Growth and Opportunity Act (AGOA) in the US. In the coming years, successful completion of the Doha Round of trade negotiations could significantly change the context in which African countries compete with other developing countries.

108. There has been a failure so far to conclude a multilateral trade round that delivers real and substantial benefits to developing countries. The negotiations in the Doha Round must be concluded in a way that advances the interests of developing countries and African countries in

³⁴ Made at the summit meeting of the Group of Eight in Gleneagles, Scotland, in 2005.

³⁵ United Nations, High-Level Event on the Millennium Development Goals, 25 September 2008, Background note by the Secretary-General, 08-40768 (E).

³⁶ *Idem.*

³⁷ *Idem.*

particular. Increased attention is needed to ensure that bilateral trade agreements do not undermine regional and multilateral trade liberalization and obstruct market access for African countries not party to such agreements.

109. Actions at all levels should be taken to ensure Africa's effective integration in world trade, in particular for its agricultural products, including:

- Substantially reducing tariffs and non-tariff barriers imposed by developed countries on agricultural products and labour-intensive manufactures from developing countries;
- Eliminating export subsidies to agriculture in developed countries in line with the ministerial commitment made in 2005 in Hong Kong SAR, China, to eliminate them by 2013;
- Assessing regional and country needs for Aid for Trade to ensure total available resources and allocations meet those needs;
- Finalizing the operational mechanisms of the Enhanced Integrated Framework Needs Assessments to be able to identify investment priorities;
- Accelerating progress to make the Enhanced Integrated Framework operational, in order to integrate least developed countries meaningfully into the multilateral trading system.

110. External resources are crucially important in financing development in Africa in light of low domestic savings rates in most countries. An increase in private capital flows is crucial to the attainment of sustained growth and development in Africa.³⁸ FDI in particular is needed to provide a much needed boost to economic growth and to contribute to technology transfer, employment generation, and improved access to managerial expertise, global capital and product markets, and marketing and distribution networks.

111. The international community should continue to promote regulatory, tax, fiscal and other economic incentives encouraging FDI in Africa, such as preferential access to US and EU markets through mechanisms such as AGOA and EBA.³⁹

112. Remittances are an important contributor to African economies, especially those with high out-migration rates. With the assistance of international development institutions, African countries should work towards developing an enabling legal and regulatory environment that encourages greater financial intermediation of remittances and allows them to be used effectively for sustainable development.

³⁸ Dupasquier, C. and Osakwe, N., 2005. Foreign Direct Investment in Africa: Performance, Challenges and Responsibilities, African Trade Policy Centre, 21, United Nations Economic Commission for Africa, Addis Ababa.

³⁹ UNCTAD, 2007, World Investment Report 2007: Transnational Corporations, Extractive Industries and Development, United Nations Conference on Trade and Development, United Nations Publication, New York/Geneva.

IV. The way forward

113. Based on the policy options and practical measures detailed in sections 2 and 3 of this report, the following broad priorities suggest themselves for consideration for African countries on the path forward to sustainable development.

114. The promotion of a peaceful environment is perhaps the most essential prerequisite for sustainable development.

- With the support of the international community, notably the UN, African countries should strive to prevent conflicts, resolve current conflicts, and provide support to countries emerging from conflicts.
- Strengthening governance and institutions, including at regional level, in order to prevent future conflicts should be a key objective of African governments.

115. Africa's natural resource base is a critical element of sustained economic and social development. Sustainably managing forests and fisheries; managing scarce water resources; preserving and recovering land resources affected by desertification; and adapting African societies to climate change are crucial objectives that must be integrated into national and regional development frameworks and strategies.

116. The revitalization of agriculture as basis for sustainable rural development deserves the highest political priority. Achieving a sustainable African green revolution could be set as a global objective. The Comprehensive African Agriculture Development Programme of NEPAD provides a valuable framework.

- There is need for a significant increase of investment in agriculture and rural development, with a view to achieving the Maputo Declaration target of at least 10% of national budgets for agriculture and rural development.
- Stimulating greater private investment in agriculture is also crucial.
- Increased donor support to African agriculture is a key complement to domestic resource mobilization.

117. Improving agricultural productivity will necessitate policies at various levels involving:

- introducing farming models and practices well adapted to local resource availability and constraints;
- timely access by farmers to affordable inputs and credit;
- farmer education and training, including through extension models that emphasize horizontal diffusion of knowledge and innovations among farmers;
- support to establishment of supply chains in order to develop higher value-added products locally;
- improving market infrastructure and market information systems;
- reducing post-harvest losses through improved processing, storage and transport.

At the same time, the international environment in which African agriculture competes must be improved to provide better market access, including for Africa's processed agricultural commodities.

118. African governments, with the support of the international development community, will want to ensure that the development of African agriculture occurs in a sustainable way.

- Stemming and reversing land degradation and desertification through improved agricultural and land management practices is critical in many arid and semi-arid countries.
- Under suitable conditions, boosting chemical fertilizer and complementary input use can significantly raise yields, but care is needed to minimize environmental damages and adverse impacts on biodiversity.
- Less input-intensive, science-based methods of boosting agricultural productivity are being more widely tested and proven and may hold promise, especially as chemical inputs remain too costly for many African smallholders.
- The rich local experience with improved methods of water and soil management could be more widely disseminated to countries and regions with similar agro-climatic conditions.

119. Social aspects of agricultural transformation also have to be factored into policy decisions. As Africa progresses on the road to development, most countries in the region will face the challenges that more developed countries have had to deal with before them. Those include:

- securing the rights of rural communities, in particular land rights;
- managing massive rural-urban migrations, including through strong urban job creation;
- funding adequate social policies and safety nets to accompany the changes.

120. Significantly increased infrastructure investment is critical to boosting agricultural productivity, promoting economic diversification, and raising rural incomes. Financing is needed for construction, upgrading and maintenance, ranging from irrigation and other water infrastructure to roads and transport, energy and communications.

- Cross-border and regional co-operation is important to infrastructure development – to connect electricity grids and road networks and share benefits from water resources.
- International donor and private investment for African infrastructure will need to be significantly increased. Attracting greater private investment will require sound national regulatory and institutional environments.

121. Strengthening health, education and other social services is crucial to supporting rural economies as well as national economies in the short and long run. Many rural residents of

Africa will become urban residents, so the investments in human development in rural areas will also shape urban economic prospects.

- Providing access to quality health care, including preventive health, will depend importantly on well-trained and motivated rural health workers.
- Dynamic rural economies may eventually facilitate retention of qualified health personnel in rural areas, but pro-active government policies may be needed in the near term, including rural service requirements and greater investment in upgrading skills of local healers and community para-medical personnel.
- Linking provision of family health and nutrition programmes to children's school attendance has proven a promising holistic approach to enhancing child welfare.
- In many African societies, programmes to bolster child welfare need to be uniquely tailored to the challenge of caring for HIV/AIDS orphans.

122. Climate change will impact the whole range of social, economic and environmental issues facing rural communities in particular and African societies in general.

- Africa needs to make the most of international instruments, both existing and future, related to climate change finance and capacity building.
- The international community must provide financial and technical support to adaptation of African economies to climate change, not only through the NAPs under UNFCCC and UNCDD, but through all appropriate instruments such as PRSPs, NSDS, etc.
- The international community should increase support to R&D into drought-resistant and other adapted crop varieties as well as into adaptation technologies appropriate to African needs and conditions.
- At the national level, broad inter-sectoral consultations are needed in order to align the priorities of all the national institutions concerned with rural development and provide enhanced institutional support to rural communities to respond to climate change.