

High Level Debate: Accelerating the full implementation of the 2030 Agenda and Agenda 2063 in Africa: what role for SDG 8 in the Ninth session of the Africa Regional Forum on Sustainable Development

Ethiopia, Addis-Ababa
Friday 17^h February 2023
12:10 p.m. to 1.30 p.m.

How is UN-ECA contributing to promote the Decent Work Agenda and a Just Transition? How can this work be better incorporated in the African Regional Fora to contribute to accelerate action on the SDGs? (10 min.)

Talking points

Sweta Saxena
Chief of Staff & OIC GPSPD
Economic Commission for Africa



UNECA's Work linked to the Promotion of the Decent Work Agenda and a Just Transition

Thanks for the invitation to make some remarks on behalf of UN ECA. I am excited to be here. Let me first highlight 3 things:

First, clearly poverty is a big challenge in Africa. It is alarmingly high and our estimates show that in 2022, 546 million Africans were living in poverty, representing a 74 per cent increase since 1990. Additionally, in 2022, up to 144 million non-poor Africans (those above the poverty line) became at risk of falling into poverty due to their limited ability to hedge against the effects of shocks. Bringing them out of poverty and providing decent work is a policy agenda.

Secondly, we need to recognize that over 80 per cent of the African labour force (works in informal sector (ILO, 2022) and lacks access to social protection or health insurance. Providing them decent work is a priority so they aren't living on edge feeling that one shock comes and they are back into poverty.

On the positive side, lastly, the young labor force is Africa's USP. 60 per cent of the population is below 25 years old and by 2030, Africa's youth is expected to comprise 42 per cent of the global youth population. Providing meaningful jobs to these young people that match their aspirations is a monumental task and needs to be accomplished.

Against this background, let me highlight few areas where ECA's work supports decent work agenda.

We provide countries with the tools to improve upon social protection: Our analytical work has supported several member States, including Chad, Kenya, Mauritania, Mozambique and Nigeria in improving policies for inclusive, equitable and sustainable development. These **tools helped them** assess and evaluate the economic and social impact of not investing in social protection and identifying suitable mechanisms for monitoring and evaluating social investments so that they can contribute to economic growth and achieve the SDGs.

During the COVID-19 pandemic, we advocated for policies that would alleviate poverty. For instance, we supported **ex-ante measures** that can help the vulnerable to better hedge against risks related to income losses and **ex-post measures** that help people **smooth consumption** after crises (i.e., **cash transfers** for vulnerable groups, including women and those employed in the informal sector as well as rural populations) (UNECA, 2022).¹

¹ ERA 2021- *Addressing Poverty and Vulnerability During the Time of the COVID-19 Pandemic*



Our research has also shown that **the African Continental Free Trade Agreement (AfCFTA) has the potential to promote inclusive development.** When fully implemented, the AfCFTA could boost Africa's overall GDP by \$55 billion and welfare by \$3 billion in 2045 over and above the baseline without the AfCFTA.

The AfCFTA recognises the importance of gender equality and improving export capacity of informal suppliers, MSMEs, women/youth. To deliver on decent work aspirations, private sector needs to step up its game. Cognizant of this catalyst role, ECA developed the **AfCFTA Country Business Index (ACBI)** as a key instrument through which businesses can articulate their main trade challenges to policy makers such as *tariff barriers (customs duties), additional charges and unauthorized charges., bribes and corruption.* These raise the cost of trading for SMEs, which are main suppliers of jobs in our economies. Further, the index also shows a clear *distinction in perceptions between businesses owned by women and those owned by men.* Overall, trading across borders appears to be more challenging for businesses owned by women.

As part of our Think Tank function, ECA research has also **identified sectors with high developmental and job creation impact.** For instance, we find that the Democratic Republic of Congoⁱ can leverage on its Cobalt endowment to lead the production of EV batteries. The study showcases that the electric vehicle market will grow from \$7 trillion in 2030 and \$46 trillion in 2050. Additionally, the continent accounts for more than 40% of global reserves of cobalt, manganese, and platinum – key minerals for batteries and hydrogen technologies. These should be stepped up to create employment.

Similarly, our analytical work **highlighted the potential of the pharmaceutical and vaccine manufacturing in Africa and led to the creation of the first pool procurement mechanism namely the Africa Vaccine Acquisition Trust (AVAT).** The health and wellness sector is expected to generate business opportunities amounting to \$259 billion by 2030 and create more than 16 million jobs.

For a continent plagued by migration – both within and outside – there are opportunities to provide employment to these migrants. Migrants send remittances which are a lifeline in countries of origin. To facilitate migrants' access to employment in intra-African regions, our North Africa office is working with Morocco to develop an action plan to support the recognition of migrants' skills.

Another way to reduce inequalities and create an inclusive environment is by reducing the digital divide. Initiatives to promote digital skills among girls such as ECA's Digital Centre of Excellence's initiatives are critical in encouraging programming skills through coding boot



camps. They are vital in building their capacities in digital skills while bridging the gender digital gap.

ECA is also providing technical assistance to member States in Mauritius, Seychelles and South Africa and has developed a **regional report on gender and digital transformation** covering six member States. Through extensive stakeholder engagement, we have drafted a **strategy that is endorsed by eleven member States** (Benin, Lesotho, Mauritius, Namibia, Senegal, Seychelles, South Africa, Sudan, Tanzania and Tunisia). We **plan to conduct training in 2023 and 2024, along with partner UN agencies** including United Nations Conference on Trade and Development (UNCTAD), United Nations Institute for Training and Research (UNITAR), United Nations Office for Outer Space Affairs (UNOOSA).

ECA's work also supports just transitions

Adaptation holds promises to foster more sustainable development: While we recognize the importance of tackling climate change, we need to ensure that the transition towards renewables is one that is fair – fair to our African people. We must understand that Africa has contributed less than 4 percent to the global greenhouse emissions, but it is the worst affected continent. With higher frequency and larger severity of natural disasters, we need to think of how to build our resilience to these disasters.

First, we need to invest in climate-resilient infrastructure. For climate change mitigation and adaptation, we need to invest about US\$ 3 trillion by 2030.

Second, we must recognize that Africa can play a key role in the green transition given its abundant renewable energy potential and critical raw materials – this wealth must be used to fuel Africa's structural transformation and development. Evidently, Africa has sufficient resources to power itself and also contribute to global energy security and climate action.

But we must ensure that Africa's water, energy and food nexus is well balanced. With over 640 million Africans lacking access to electricity and 150 million households without access to clean cooking, it would be morally wrong if the focus of investments in green energy in Africa does not focus first and foremost address this chronic energy access deficit. Here also, ECA's work shows that we need natural gas as a transition fuel before going fully green. Even if electricity consumption is trebled solely through natural gas, it would add just 0.6 percent to global emissions. At the same time, use of gas can enhance health-related goals, as over 3 million people die a year from poor cooking stoves. Hence, the development benefits of using gas are tremendous, without contributing much to global emissions.

ECA-led research showed that through nature-based carbon removal, Africa can generate a revenue of US\$ 15 - 82 billion/year and has the potential to support 35 - 167 million jobs and



livelihoods creation. Carbon credits could support investment into the innovation required to lower the cost of emerging climate technologies. In this respect, ECA started assisting African States to build **high-integrity regional carbon markets to incentivize and channel public and private investment and finance in sustainable and transformative action plans**. The first African regional carbon market being developed for that purpose is comprised of 16 member States of the Congo Basin Climate Commission (CBCC). The market is underpinned by the Carbon Registry, the first African regional, and the CBCC Harmonized Protocol for Carbon Offsetting.

The post-pandemic recovery presents the global community with a rare opportunity to accelerate climate action. **Green recovery studies have been undertaken in 6 countries (DRC, Egypt, Kenya, and South Africa in 2021 and Côte d'Ivoire and Senegal in 2022) to correlate value and job creation in both traditional and green economies focusing on key sectors such as energy, natural capital and transport.**

Lastly, AfCFTA is the Africa Marshall Plan to build back greener: To reap the benefits of AfCFTA for all, the ECA and the African Export-Import Bank (Afreximbank), in collaboration with the African Union and the AfCFTA Secretariat, have developed a digital business-to-business (B2B) and business-to-government (B2G) exchange platform known as African Trade Exchange Platform (ATEX). The platform will help realize the development potential of e-commerce and digitalization, particularly by facilitating access for small and medium-sized enterprises (SMEs) into new markets. It has the potential to solve the food problem as it can bring consumers and sellers of food products together quickly and at relatively low cost. Hence, bringing food prices down.

Lastly, let me just mention two possible ways how this work can be better incorporated in the African Regional Fora to contribute to accelerate action on the SDGs.

Promoting the adoption and accelerating the implementation of the AfCFTA: The AfCFTA continental market provides the economy of scale to invest in manufacturing, leading to increased intra-Africa trade, thereby bringing supply chains closer to home and injecting a degree of self-sufficiency in essential products such as medicines, food and fertilizers. By providing more opportunities for women and the youth, the AfCFTA helps reduce inequality and poverty, and improves inclusion.

Policymakers should consider investments that target small-scale cross-border traders, including women who have different needs from large-scale traders. Regional economic communities across the continent have a role to play in facilitating trade, including by enhancing the trade environment for women cross border traders. TradeMark East Africa has



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partnered with member States in the region and the Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI) to provide capacity-building to women, informal cross border traders and entrepreneurs with a goal of enhancing the trading environment for women traders.

Creating urban agglomerations along regional corridors: As economies grow and the share of intra-regional trade increases, cities and urban systems could transform into manufacturing, trade and logistics hubs that can support emerging regional supply chains in agriculture and industry. Urban agglomerations along regional corridors, including along the Lamu Port–South Sudan–Ethiopia Transport Corridor, the Praia-Dakar-Abidjan Corridor, and the Abidjan–Lagos, Doula–Bangui and Doula– Ndjamena corridors illustrate the strong links between urbanization and regional integration. In order to leverage the role of cities and urban systems to foster inclusive growth and promote regional integration, policymakers will need to consider and make investments in cities’ infrastructure. Development partners, notably, the African Development Bank (AfDB) have played a critical role in supporting African Cities, including by supporting urban infrastructure services that have enhanced urbanization and regional integration on the continent.

ⁱ <https://repository.uneca.org/handle/10855/48054?show=full>