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AFRICA RISING? A POST-2015 UN DEVELOPMENT AGENDA

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Africa's recent economic performance is impressive, but major obstacles remain. African governments lack political will, while the landscape of international institutions remains crowded and confused. Moreover, the UN's development system support for Africa and its institutions is disjointed.

The current and long-term economic prospects for Africa appear encouraging. In absolute numbers, of course, Africa trails other developing regions. But in the last ten years, real income has grown by some 30 percent. Africa is now the fastest growing continent, with the region's economies expected to continue to grow by 5 to 6 percent annually on average in the present decade. With six of the world's ten fastest growing economies of the past decade located in sub-Saharan Africa, the human development numbers have also improved markedly since 2000.[1]

Despite this good news, Africa is not out of the woods. National economies rest on very weak foundations and have a high debt overhang. And the heavy reliance on raw materials and minerals for exports makes African economies susceptible to shock and systemic risks. Moreover, the underlying human capital formation, especially amongst the burgeoning unemployed youth population, lacks the requisite skills that could lead to sustainable growth and transformation. The United Nations Development Programme's (UNDP) first-ever Human Development Report 2012 that focused exclusively on Africa reminds us that, while nine of the ten best improved countries in the Human Development Index are in Africa,[2] there are growing income inequalities, and hunger and poverty remain the common lot, notwithstanding the region's encouraging aggregate macroeconomic output. In spite of recent progress, the majority of the bottom-ranked countries on the UNDP's annual Human Development Index, which measures income, education and health, are in Africa.

With an eye toward long-term structural transformation and durable human development, what are the key African development institutions, and what possible future collaborations can they have with the UN system?

Regional Economic Communities

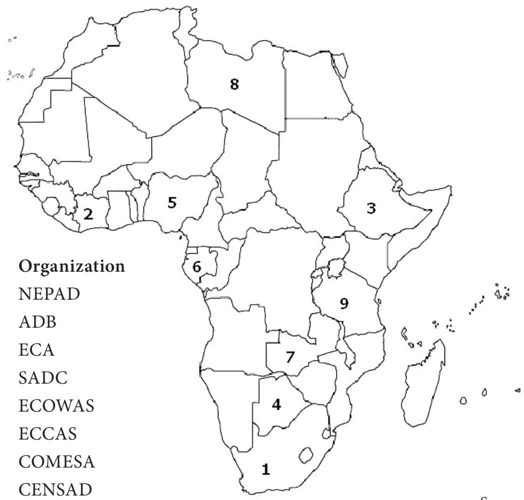
One of the major prerequisites for progress is closer regional cooperation, given the small size of domestic markets and poor continental infrastructure. Ironically, as it stands now, there are too many regional economic communities (RECs) on the continent. Indeed, there are more RECs in Africa than in any other continent. All but five African countries are in at least one regional integration initiative, and more than half of the continent's 53 countries belong to two or more regional blocs. The African Union (AU) has formally recognized 8 RECs, but the 14 current ones undoubtedly lead to major implementation problems and policy incoherence stemming from overlapping memberships. For instance, Kenya is a member of four RECs recognized by the AU (see Figure 1).

Most African RECs are mindful of the challenges posed by overlapping memberships and have begun taking measures to avoid duplication. The tripartite free trade agreement among the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), and the Southern African Development Community (SADC) is scheduled to be completed next year. If successful, it could have a galvanizing effect for the other RECs due to the sheer size and scope of its economic impact: it will bring together 26 African countries, with a combined population of 530 million people, and a total GDP of $630 billion (more than half of the output of Africa's economies).[3]

FUNDS supports and helps accelerate change in the UN development system to increase effective responses to global development challenges—especially after 2015, the target date for the Millennium Development Goals. Recognizing the many frustrations that have accompanied UN reform efforts, FUNDS envisages a multi-year process designed to help build consensus around necessary changes. Financial support currently comes from the governments of Denmark, Norway, Sweden, and Switzerland.

Figure 1

African Economic Institutions and Locations



Country	Organization
1. South Africa	NEPAD
2. Ivory Coast	ADB
3. Ethiopia	ECA
4. Botswana	SADC
5. Nigeria	ECOWAS
6. Gabon	ECCAS
7. Zambia	COMESA
8. Libya	CENSAD
9. Tanzania	EAC

Source: Author Created

The Crowded Institutional Landscape

Another challenge for African countries is the effective implementation of development strategies and policies—rhetoric versus reality. There has not been a shortage of development-related ideas between the UN and Africa. Indeed, one can argue that the UN system has produced too many blueprints and programs for developing Africa. The obstacle to economic performance in Africa has not been the ambitious nature of the development targets, but rather the absence of political will by African governments and the lack of consistency, coordination, and coherence at the regional and global levels. African countries, which make up the largest regional bloc of the United Nations, rarely speak with one voice on the policies for which they are the intended beneficiaries. Compounding the problem is that most African countries lack the financial resources and policy autonomy to carry out these blueprints.

The UN's primary presence in Africa is the Economic Commission for Africa (ECA). Its primary role is regional cooperation, but it has a checkered record of drawing up programs of action that are not acted upon and setting up sub-regional efforts that often compete with other organizations.[4]

At the policy level, the ECA has been instrumental in all the continent's landmark development blueprints since the 1980s, including the United Nations Programme of Action for Africa's Economic Recovery and Development (UN–PAAERD), launched in 1986 as the first UN program for a specific region. To its credit, the ECA has mostly produced economic proposals that stressed structural and human development as opposed to structural adjustment models favored by the International Monetary Fund and the World Bank. But UNECA's influence rests mainly with African governments. Unfortunately, most of its proposals that stressed human well-being were jettisoned in favor of the short-sighted, market-driven policies of neo-liberal economics - ECA eventually capitulated to the economic thinking of the Bretton Woods institutions.[5]

The ECA should be more proactive, holding African governments' feet to the fire with periodic constructive critiques. More willingness by the secretariat for hard-hitting analyses should be combined with more resources—at present, its total budget of $144.9 million is a mere fraction of the $5.2 billion total UN core budget. The work of specialized agencies and other UN bodies should reinforce the ECA rather than the other way around. The Office of the Special Adviser on Africa (OSAA), which was established in May 2003 and tasked with assisting the Secretary General in improving coherence in UN system support to Africa, has a role to play in helping to increase the system's coherence.

The AU convenes meetings of heads of state and combines the high politics of peace and security with aspects of development. The more visible and political AU has committed itself to new and duplicative economic institutions. For instance, it proposes to establish the African Monetary Fund and the African Investment Bank, in addition to the African Central Bank. Given the AU's extremely limited resources, it is imperative to clarify the roles of key players in Africa's integration process in order to avoid wasteful overlap of its institutions.

Transformational development will require that Africa add value to, and diversify, its export commodities. Bulding a solid industrial base and infrastructural capacity falls into the mandate of the African Development Bank (ADB). However, due to financial constraints and its inability to produce any original development ideas, the ADB does not enjoy much credibility among African governments or other donors and thus is viewed as a secondary actor.

Table 1: Goals of the African Economic Community	
1994–99:	Strengthen regional economic communities and establishing them where they do not exist.
1999–2007:	Freeze tariffs, nontariff barriers, customs duties, and internal taxes at their May 1994 levels and gradually harmonize policies and implement multinational programs in all economic sectors—particularly agriculture, industry, transport, communications, and energy.
2007–17:	Consolidate free trade zones and customs unions through progressive elimination of tariffs, nontariff barriers, and other restrictions to trade, and adopting common external tariffs.
2017–19:	Finalize coordination and harmonization of policies and programs in trade and other sectors as a precursor to full realization of the African Common Market and African Economic Community, with all regional economic communities. This phase should result in the free movement of people, with rights of residence and establishment among the regional economic communities.
2019–23:	Consolidate the continent wide African Common Market resulting from the fourth phase.
2023–28:	Realize the vision of the African Economic Community, with complete economic, political, social, and cultural integration and with common structures, facilities, and functions, including a single African central bank, a single African currency, a pan-African parliament, and a pan-African economic and monetary union.
Source: The African Economic Community Treaty, 1991	

Nonetheless, the ADB is striving to bring much-needed coordination of its projects in line with that of such important African stakeholders as the African Union Commission (AUC) and the New Economic Partnership for African Development (NEPAD). In this context, the ADB's new Programme for Infrastructure Development in Africa (PIDA)—a continent-wide initiative that prioritizes regional and continental infrastructure in transport, energy, trans-boundary water and ICT—is worthy of support by the UN development system. Transformative development must address Africa's poor infrastructure. According to the ADB, the road access rate is only 34 percent, compared with 50 percent in other developing regions; and transport costs are often double. Only 30 percent of Africans have access to electricity, compared to 70–90 percent in other developing countries. Only 4 percent of water resources have been developed; in fact, only about 18 percent of the continent's irrigation potential is being exploited. The Internet penetration rate of 10 percent compares poorly with an average of 40 percent elsewhere in the developing world. The OSAA should continue to take the lead in advocating on behalf of PIDA and to mobilize donors and the private sector to assist in its implementation. The UN Department of Public Information can also assist in raising awareness of PIDA and African concerns more generally.

Toward the African Economic Union?

Since the founding of the AU's predecessor (Organization of African Unity) a half-century ago, African leaders have aspired to better integrate to promote self-reliance and self-sustained growth. In 1991, African leaders approved the African Economic Community (AEC) with the aim to create a continental free trade zone and harmonize financial and monetary policies by 2028 (see Table 1). The confusing bevy of African RECs described earlier are intended to be building blocks for the eventual AEC. The African Union last year endorsed a Continental Free Trade Area (CFTA), which it hopes will be operational by 2017.

A functioning and effective AEC would certainly boost trade and investment within the region. As it stands now, however, the overlapping and competitive RECs are part of the problem. The CFTA should provide the basis for channeling UN assistance to African RECs.

More Transparent Global Financial Architecture

The need for accountability and less corruption in domestic governance is often cited as a panacea in virtually any discourse on African development, but scant attention is paid to net resource transfers and illicit capital flight from Africa. The ADB calculated that over the 1980-2009 period, Africa lost up to $1.4 trillion in illicit financial flows (tax dodging, unrecorded business dealings, and transfer pricing), making it a "net creditor to the world" by exporting more capital than it received.[6]

Another report by the Africa Progress Panel, chaired by former UN secretary-general Kofi Annan, found that the practice of shifting profits from Africa to lower tax jurisdictions costs the continent $34 billion annually.[7] Hence, transfer pricing alone costs Africa more than it receives annually in bilateral aid. But making multinational companies more accountable and corruption-free will require a global regulatory approach. Refreshingly, the June 2013 G-8 summit pledged new goals for corporate transparency "to fight the scourge of tax evasion." The UN system could do more to help halt corporate tax avoidance by building the capacities of Africa's revenue collection agencies and developing a robust global tax accounting regime.

Africa's Economic Future and the UN

Africa's ongoing development problems at the UN are compounded by African leaders rarely speaking with one voice and getting behind projects that could make a difference. In this context, African states should follow proposals adopted by the African Union. Its Ten-Year Capacity-Building Programme, a framework agreement reached between the AU and UN, is set to expire in 2016. Developing the AUC's institutional capacity on peace and security receives the most attention, and while these capacities are critical, a post-2015 collaborative framework between the two organizations could profitably explore a number of possibilities.

First, a paradigm shift is required in development strategies and policies towards a more comprehensive structural overhaul of African economies. Such an approach should be human-centered and informed by a vision for the complete integration and diversification of the continent's economies. Such institutions as the UNDP, UNECA, ADB and AUC can take the lead in hammering out a transformative agenda and mobilizing international support for ending Africa's marginalization in the global economy. The coordinating role of the ECA as well as the OSAA's advocacy and communications functions will be especially crucial.

Second, the work of the UN system should help reinforce African-determined priorities, not the other way around. As was mentioned earlier, major global economic institutions have rejected most of the economic proposals adopted by the ECA. One of the main rationales for ignoring African proposals was ECA's insistence on assigning a role for the state in the management of African economies—widely interpreted as a recipe for further disaster. Any new thinking for sustainable development ought to be inclusive and reflective of the needs and aspirations of Africa. This would require Africans taking the lead for their own development and priorities. For instance, the UN system can alleviate the burden of the continent's burgeoning youth demographic by providing support for the newly launched ADB's Human Capital Development Strategy, which aims at investing in education to raise competitiveness and skills, particularly among women.

Third, resource mobilization will be critical to any UN development agenda and partnership with Africa. One of the most important challenges is how to effectively harness natural, financial, and human resources. As the only system wide coordinating mechanism, the United Nations System Chief Executives Board for Coordination (CEB) can assist in resource mobilization by providing an avenue that brings the disparate mandates and programs together in a coherent fashion. The CEB could instantly provide more exposure, expertise, and perhaps coherence to the UN's programming for Africa.

Conclusion: Africa and the UN Development System

The complex web of African institutions is, if anything, even denser within the United Nations. In Addis Ababa alone, the UN secretary-general has appointed his special representative to the AU while another of his appointees, the executive secretary of the ECA, is building joint programs with the AU. In New York, the secretary-general has a special advisor on Africa, not to mention the under-secretary-general, or "high representative" for the least developed countries, landlocked developing countries and small island developing states (most of which are in Africa).

Additionally, many other UN organizations and specialized agencies have regional and sub-regional offices in Addis while ten other African capitals also host regional UN offices. The geographic writ of these offices does not correspond to Africa's RECs. And if the country level is included, the UN system counts some 350 development-related representative offices on the continent, and closer to 500 if the entire UN system is included.[8] Despite the oversaturation, additional offices are springing up every year! In May 2013, for example, the UNDP opened its African regional service center in Addis, comprising staff with a profile almost identical to the ECA.

Under these circumstances, meaningful coordination is elusive-perhaps even a fool's errand. The ECA chairs an annual "regional coordination mechanism" of UN organizations, but there is a parallel system consisting of the same organizations under the auspices of the UN Development Group (UNDG), chaired by UNDP – ironically, for this essay, called the UNDG "regional teams."

The UN development system has a lot to offer Africa. But especially on a continent where the development institutions are thick on the ground, the UN system requires urgent rationalization if it is to find a coherent voice.

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Notes

1. UNDP, *Human Development Report 2013: The Rise of the South: Human Progress in a Diverse World* (New York: UNDP, 2013). All reports 1990-2013 are available at http://hdr.undp.org/en/reports.
2. UNDP, *Africa Human Development Report 2012: Towards a Food Secure Future* (May 2012). Available at http://www.undp.org/content/undp/en/home/librarypage/hdr/africa-human-development-report-2012/.
3. Economic Commission for Africa. *Assessing Regional Integration in Africa V: Towards an African Continental Free Trade Area* (Addis Ababa: ECA, 2012).
4. For a more general view of the problems of these organizations, see Stephen Browne and Thomas G. Weiss, *How Relevant are the UN'S Regional Committees?* (New York: FUNDS, 2013), Briefing No. 1
5. Kwame Akonor, *African Economic Institutions.* (London: Routledge, 2011).
6. African Development Bank and Global Financial Integrity. *Illicit Financial Flows and the Problem of Net Resource Transfers from Africa: 1980-2009* (May 2013). Available at http://www.afdb.org.
7. See *African Progress Report, 2013.* Available at http://africaprogresspanel.org/en/publications/africa-progress-report-2013
8. FUNDS Project, *Fact Book on the UN Development System* (Geneva: FUNDS, November 2010), Table 5A