

# Preface

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Africa is changing. The continent is starting to reap the benefits of years of better macroeconomic management, and deeper integration into the world economy. Despite the weak and uneven recovery from the crisis in many advanced economies, six of the 10 fastest growing economies in the world in 2012 were in Africa. Domestic sources of growth, domestic revenues and investment are growing. More people are being lifted out of poverty, and more children are in school. Stronger institutions and democracies in many parts of the continent have created much optimism, high expectations and huge potential. Nevertheless, major challenges remain. Africa has made significant progress towards reaching the MDGs but this progress is uneven and too slow. Poverty remains a key challenge, widespread unemployment, especially among youth, contribute to persistent inequality, and climate change poses a growing threat to long-term development.

In order to maintain the progress achieved to date and to meet longer-term challenges, it is important for both African governments and their international partners to meet their development commitments, and for the results to be assessed. That is the purpose of this sixth joint “Mutual Review of Development Effectiveness in Africa” by the Economic Commission for Africa (ECA) and the Organisation for Economic Co-operation and Development (OECD). It covers four broad policy areas: sustainable economic growth, investment in people, good governance and financing for development. Within these four areas, it looks at 18 individual topics. In addition to reviewing the delivery of commitments and the results achieved, it also considers future policy priorities.

The report is a unique collaborative exercise in mutual accountability, undertaken under a mandate from NEPAD Heads of State and Government. It aims to provide a practical tool for political leaders and policy makers. It looks at Africa as a whole, while recognising the remarkable degree of diversity across the continent.

The report is published just over a decade after the establishment of the African Union and NEPAD, which can now be seen as a turning point on the continent. Over this

period, there has been real progress on the part of African governments in delivering commitments to improve political and economic governance, and increase domestic resource mobilisation. Domestic revenue provides overwhelmingly the main source of finance for Africa’s development efforts. Closer regional integration is supporting this process. Access to primary education and health services has been improved, but Africa continues to suffer under significant gender and regional disparities. The region has the highest rate of maternal and under-5 mortality. Much remains to be done to ensure the quality and sustainability of growth, boost employment, tackle infrastructure constraints, galvanize the potential of women and offer the youth better prospects, and accelerate progress on the most ‘hard-to-reach’ MDGs, including improving access to clean water and sanitation, and reducing maternal and child mortality.

Whilst the development process in Africa is being led by African governments, stakeholders and citizens, it is also linked to what happens in the wider global economy and to effective international support. Development partners have made an important contribution, including through substantial Official Development Assistance, even though earlier commitments have still not been met in full. It is worrying that budgetary duress in OECD member countries has led to a second successive fall in total aid, but encouraging that, in spite of the crisis, nine countries still managed to increase their aid. As the world approaches the 2015 deadline for achieving the Millennium Development Goals, it is important that the trend in aid away from the poorest countries will be reversed. Aid remains an essential pillar to achieve the Goals.

The establishment of the Global Partnership for Effective Development Cooperation, following the Fourth High Level Forum On Aid Effectiveness in Busan in 2011, the report of the UN High Level Panel on the global development agenda beyond 2015, and the increased attention being given to the issues of tax and transparency including through the High Level Panel on Illicit Financial Flows, established by ECA, and in the G8 and G20, are also important steps forward. At the ECA, this approach is being strengthened by a sharper focus.

on inclusive growth and the economic transformation of the continent. At the OECD, it is being strengthened with an OECD Strategy on Development focused on knowledge sharing, growth enhancing policies and policy coherence.

Against this background, the report identifies the following priorities for Africa and its development partners.

#### **Africa:**

- To maintain the momentum of political and economic reform, and their collective efforts to bring greater peace and security to the continent;
- To deepen the process of regional integration, including in the key areas of trade and infrastructure;
- To continue to increase domestic resource mobilisation and capitalise on the opportunities for attracting increased domestic and foreign investment; and
- To use these resources to accelerate progress towards the MDGs in the run-up to 2015.

#### **Development partners:**

- To deepen co-operation in key areas of economic governance such as preventing the erosion of tax bases and tackling illicit capital flows, in order to support Africa's efforts to increase domestic revenue;
- To continue to resist protectionist pressures, and re-double efforts to make the best use of regional and multilateral trade agreements for development;
- To resist pressure on aid levels and increase aid to Africa in line with previous commitments; and
- To facilitate Africa's enhanced participation in any new arrangements for global governance.

#### **The international community:**

- To seize the opportunity of the new Global Partnership for Effective Development Cooperation to accelerate progress towards achieving the MDGs by 2015; and
- To work together to build a development agenda beyond 2015, which will promote global prosperity, reduce poverty and advance social equity and environmental protection.