

REMARKS

BY

**H.E. MR. COLLEN V. KELAPILE
PRESIDENT OF THE UNITED NATIONS ECONOMIC
AND SOCIAL COUNCIL (ECOSOC)**

**AT THE OPENING SESSION OF THE AFRICA DAY AT THE HIGH-
LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT
(HLPF) ORGANIZED BY THE UNITED NATIONS OFFICE OF THE
SPECIAL ADVISER ON AFRICA (OSAA), THE AFRICAN UNION
COMMISSION (AUC), UNITED NATIONS DEVELOPMENT
PROGRAMME (UNDP) AND THE AFRICAN INSTITUTE FOR
ECONOMIC DEVELOPMENT AND PLANNING (IDEP)**

**TUESDAY, 12 JULY 2022
08:30-08:45 HOURS**

VIRTUAL MEETING

Please check against delivery.

- **Moderator, Mr. Stephen Karingi;**
- **Ms. Cristina Duarte, Under-Secretary-General and Special Adviser of the United Nations Secretary-General on Africa;**
- **Ms. Vera Songwe, Under-Secretary-General and Executive Secretary of the United Nations Economic Commission for Africa;**
- **Ms. Ahunna Eziakonwa, Assistant Secretary-General and Director of the United Nations Development Programme Regional Bureau for Africa;**
- **Excellency, Ms. Ester Anna Liisa Nghipondoka, Minister of Education, Arts and Culture of the Republic of Namibia, and Vice-Chair of the Bureau of the 8th Africa Regional Forum on Sustainable Development (ARFSD);**
- **Excellency, Albert Muchanga, Commissioner for Economic Development, Trade, Industry and Mining, African Union Commission;**
- **Ms. Olumide Ghadebo, Chief Executive Officer, Adunni Organics;**

- **Excellencies;**
- **Dear Participants;**
- **Ladies and Gentlemen;**

1. I am very pleased to, once again, deliver some remarks during the **Africa Day at the High-Level Political Forum on Sustainable Development (HLPF)**, having also done so on **15 July 2021**.
2. I commend the co-organizers of this important event – the United Nations Office of the Special Adviser on Africa (OSAA), the African Union Commission (AUC), United Nations Economic Commission for Africa (ECA), United Nations Development Programme (UNDP) and the African Institute for Economic Development and Planning (IDEP).
3. This is a significant event, that builds a bridge between the outcomes of the regional intergovernmental processes, such as the Africa Regional Forum on Sustainable Development (ARFSD) -- which I was delighted to be part of -- and the

Conference of African Ministers of Finance, Planning and Economic Development, and the HLPF.

4. The theme of this year's Africa Day -- "***Scaling Up Innovative Financing and Leveraging Partnerships for the Africa We Want***" is very timely and pertinent.
5. It appropriately responds to the current challenges that were brought to the fore in early 2020, due to the economic slowdown and lockdowns caused by the COVID-19 pandemic that put Africa's resilience to test.

Excellencies,

6. The pandemic has led to the worst economic recession in half a century across Africa, with real GDP contracting by **3%** in 2020 and triggering huge debt burden -- among many other impacts.
7. With scarce financial resources at their disposal as a result of severely diminished fiscal spaces, African

policymakers faced difficult trade-offs between addressing the immediate needs of rapidly deteriorating health situation and at the same time servicing their existing debt obligations.

8. This has led to significant worsening of the debt sustainability for many of our countries.
9. Whilst the international community was quick to enact stop-gap measures, such as the debt suspension initiatives and issuance of Special Drawing Rights (SDRs) to handle short-term liquidity problems, a major opportunity was missed collectively to address medium- to long-term debt sustainability and domestic resource mobilization.
10. This was a perfect opportunity to correct some of the glaring imbalances of the global economic governance, by giving Africa a louder voice in multilateral institutions commensurate with the role it aspires to play in the global economy, as encapsulated in Agenda 2063.

11. This situation has been further worsened by the conflict in Ukraine.
12. This conflict reminds us that dependency on Russia and Ukraine as the world's breadbasket and leading producers of fertilizers -- with Russia in particular also being one of the largest oil and gas exporters in the world -- is unsustainable.
13. The economic sanctions and resulting supply chain disruptions that have caused shortages and increased food, fertilizer, and energy prices further demonstrates the inherent volatility of in increasingly globalized and interdependent world economy.
14. As a result of the current situation in Ukraine, Africa's GDP growth is projected to decline by **0.7%** and inflation is forecast to rise by an extra **2.2%**¹, negatively impacting the lives and livelihoods of Africa's most vulnerable populations.

¹ "Africa and the Ukraine crisis: Turning threats into opportunity", UN Sustainable Development Group, 3 May 2022

15. The silver lining of this crisis -- as I have already stated -- is that the situation has laid bare for all to see how unbalanced and inequitable the world's economy has become in its reliance on a handful of countries for food and energy security and for the global supply chains.
16. Therein lies an enormous opportunity for Africa to move upstream in global supply chains, through economic diversification and value addition at source.
17. This point also applies equally to the necessity to boost Africa's capacity to research, innovate and produce vaccines, medications and personal protective equipment to help reverse the impact of decades of underinvestment in the continent's productive capacity.
18. Given its fertile land and rich endowment of natural resources, there is no reason why Africa should not be able to feed itself.

19. Domestic resource mobilization is key to create sufficient policy space to address this imbalance, and to drive Africa's transformation.
20. I am, therefore, delighted that the theme of this Africa Day is correctly focusing on financing for development today.
21. The financing needs of our continent to meet the Sustainable Development Goals (SDGs) were estimated at **\$200 billion** per annum even prior to the pandemic, and now the International Monetary Fund (IMF) estimates an additional **\$154 billion** financing gap per annum².
22. Yet the fiscal space is constrained, with the crisis in Ukraine set to increase the fiscal deficit in Africa by around **0.7%** in 2022, reversing the gains made in bringing the deficit under control prior to the conflict.³

² Financing Africa's recovery: breaking new ground, ECA issues paper for the Committee of Experts of the Conference of African Ministers of Finance, Planning and Economic Development, E/ECA/COE/40/6. March 2022.

³ "Africa and the Ukraine crisis: Turning threats into opportunity", UN Sustainable Development Group, 3 May 2022

23. Despite these challenging circumstances, it is important for Africa to work towards closing the financing gap for the SDGs -- if the continent is to make progress on achieving these goals by 2030.

Excellencies,

24. The United Nations Economic and Social Council (ECOSOC), for its part, is committed to strengthening the capacities of revenue administration through modernized, transparent, and progressive tax systems, and improved tax policy and collection.

25. Regional efforts to deepen domestic capital markets and improve access to larger and affordable finance must be complemented by issuance of Special Drawing Rights, the operationalization of the Liquidity and Sustainability Facility, innovative climate financing using the continent's natural capital, the leveraging of the procurement models employed by the African Medical Supplies Platform and the African Vaccine Acquisition Trust.

26. Scaling up innovative and sustainable financing tools should be further explored to crowd in more public and private financing to enhance Africa's domestic resource mobilization.
27. Issuance of green and blue bonds presents an opportunity to channel further private financial flows to support investments in Africa. However, less than **1%** of global green bond issuances emanate from Africa.
28. The international community's support in capacity-building as well as measures for risk-sharing/de-risking these innovative finance instruments will be critical to harness this untapped potential.
29. That said, we must also recognize that today's global carbon market does not do justice to Africa.
30. Unless the carbon prices are set at realistic levels to incentivize developed countries to drastically reduce their emissions whilst accounting for the fact that Africa has historically contributed by only **2-3%** to

global carbon emissions, the benefits to African economies from the expansion of carbon markets will remain limited.

31. To achieve a fundamental transformation in Africa and safeguard its people-driven development, however, we also need to look at partnerships with a new lens, adapting and seeking to foster partnerships that are also agile, flexible and transformative.
32. Those partnerships should be broad-based and inclusive, giving a prominent voice to Africa's youth and its women.
33. Investments in human capital and capacity-building will be critical to ensure that every citizen has the opportunity to earn a fair income, live a healthy life, and contribute to society.
34. In that regard, I would like to take this opportunity to commend ECA for launching the **Young Economists Network**, amplifying the voices of a new generation

of African economists in shaping the implementation of the 2030 Agenda and Agenda 2063.

35. It is also imperative to continue to accelerate and deepen regional integration to boost trade and investment flows and promote regional value chains.
36. The African Continental Free Trade Area (AfCFTA) will play a key role in that regard, through its contribution to strengthening intra-African trade, promoting industrialization and value addition, and creating job opportunities, including for women and youth.
37. Let me conclude by inviting you all to apply various measures that have been proposed to scale up innovative financing and leverage partnerships for realizing the African Union Agenda 2063.

I thank you for your kind attention.