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Parallel panel sessions on the sub-themes of the Forum**Background paper on the sub-theme: “Eradicating all forms of poverty in Africa”****I. Status of progress in Africa****Introduction**

1. Sustainable Development Goal 1 calls for an end to poverty in all its manifestations by 2030. It also aims to ensure social protection for the poor and vulnerable, increase access to basic services, and support people harmed by climate-related extreme events and other economic, social and environmental shocks and disasters.
2. Goal 1 is strongly linked to a number of other Goals, such as:
 - (a) Goal 2, which aims to end hunger and all forms of malnutrition by 2030, and ensure universal access to safe, nutritious and sufficient food at all times of the year;
 - (b) Goal 8, which promotes sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all; and
 - (c) Goal 10, which calls for reducing inequalities in income as well as those based on age, sex, disability, race, ethnicity, origin, religion or economic or other status within a country.

II. Progress of implementation

3. Progress in Africa on reducing poverty has been quite remarkable since 2002, as the poverty headcount ratio declined from 55.6 per cent in 2002 to 41 per cent in 2013.¹ Overall, however, poverty in Africa has declined much more slowly than in other regions in the world, and more than 50 per cent of the world’s poor in 2013 were in Africa. Unlike the period 1990–2002, when the absolute number of people in extreme poverty in Africa increased from 276 million to 391 million, the absolute

* E/ECA/ARFSD/3/1

¹ The international poverty line is currently defined at \$1.90 or below per person per day using 2011 United States dollars purchasing power parity.

number of people in extreme poverty has remained constant at around 390 million since 2002.²

4. Poor people in Africa start further below the poverty line compared with other regions of the world. Although their incomes are growing, that growth is insufficient to lift the poor above the poverty line threshold. The global poverty gap is small (3.2 per cent), however, the poverty gap in Africa is nearly three times that size (8.8 per cent).³

5. The pace of progress on poverty reduction in Africa has been hampered by high levels of income inequality within countries. Notwithstanding substantial variations across countries, 7 of the 10 most unequal countries in the world are in Africa.

A. Economic structure

6. There is a mismatch between the growth sectors and employment creation, which limits poverty reduction. Over time, there has been a gradual shift away from the traditional agricultural sector, but not towards manufacturing, as in the classic pattern of economic development, and as experienced elsewhere. Overall, Africa's transition out of the primary sector into tertiary sector activities has not resulted in the desired structural transformation: such activities are largely informal with low productivity.

7. The service sector absorbs more than 40 per cent of the workforce and is the largest contributor to gross domestic product in all subregions. However, the poverty reduction effects of the service sector as a whole are limited, due to the predominance of low-productivity jobs with no social protection in the informal sector.

B. Social protection

8. Social protection programmes include social assistance, such as cash transfers, school feeding and targeted food assistance, as well as social insurance and labour market programmes, including old-age pensions, disability pensions, unemployment insurance, skills training and wage subsidies, among others. In recent years, many countries have adopted policies to provide protection for multiple contingencies. Social protection and social security have gained increased interest since the adoption of the African Union Social Policy Framework in Africa, in Windhoek, in October 2008. The scope and the quality of social protection initiatives in Africa have increased. The number of cash transfer programmes in Africa, for example, has risen from just a few in middle-income countries before 2000 to an estimated 120 in 2012.⁴

9. Social protection schemes have evolved from fragmented stand-alone programmes to integrated systems, thereby evolving from emergency food aid or other irregular schemes to regular and predictable cash transfer and cash-for-work programmes.⁵ More and more countries are striving to implement social protection systems aligned with a person's life cycle, to address people's vulnerabilities

² All data are from the Economic Commission for Africa (2017). *Economic Report on Africa 2017: Urbanization and Industrialization for Africa's Transformation* (United Nations publication, sales No. E.17.II.K.1). Addis Ababa.

³ The poverty gap provides a measure of how far below the poverty line the poor in a given country or region fall.

⁴ Data from the African Union.

⁵ Monchuk, Victoria (2014). *Reducing Poverty and Investing in People: The New Role of Safety Nets in Africa*. The World Bank. Washington, D.C.

associated with specific stages or events of their lives, for example, birth, childbearing, youth, old age, illness and disability.⁶

10. Furthermore, as the formal social security system covers at best 15 per cent of the workforce in Africa, countries are also reforming both their pension and health systems to reach individuals in the informal sector. African Union leaders adopted the Social Protection Plan for Informal Economy and Rural Workers (SPIREWORK) to include the excluded workers and members of their families.

11. Despite progress over the past decade, increasing social protection for those most in need remains a priority.

III. Emerging issues, challenges and opportunities to enhance implementation

12. The slow pace of poverty reduction in Africa presents a huge challenge for achieving the target identified in the Sustainable Development Goals of eliminating extreme poverty on the continent by 2030, and will require a significant change from historical growth rates.

13. The rapid growth of the labour force makes it harder to transform the structure of employment. On current trends, Africa has the fastest-growing working-age population. Between 1960 and 2010, the working-age population in Africa (15–64 years) is estimated to have more than quadrupled, from 154 million to almost 650 million, and will continue growing over the next 40 years.

14. Young people are particularly worse off in terms of access to employment opportunities. They constituted about 35 per cent of the working age population in Africa in 2015, but three fifths of the total unemployed. In most countries, the youth unemployment rate is more than twice that for adults. The average youth unemployment rate is about 30 per cent in North Africa, compared to the world average of 14 per cent.

15. By 2050, close to 60 per cent of the population of Africa will be in the working-age group, and one in every four workers in the world in 2050 will be an African. It is estimated that in the next 10 years, Africa will need to create 110 million “new” jobs to absorb the current and future labour force. Within the past 10 years, Africa has created more than 37 million wage-paying jobs; however, the pace of job creation has not kept pace with the number of people joining the workforce each year. Consequently, there is a need for skills enhancement, access to finance, promotion of entrepreneurship and job intermediation.

16. The challenges of vulnerability and insecurity among a large number of Africans are key drivers of this policy agenda, which also found ground in other legal and policy instruments, such as the African Charter on the Rights and Welfare of the Child, the Protocol on the Rights of Women in Africa, the International Plan of Action on Ageing, the Continental Plan of Action for the African Decade of Persons with Disabilities, and the African Union Migration Policy Framework.

17. Further, weak data systems and data gaps in some member States pose serious challenges for the effective monitoring and evaluation of progress. In particular, weak disaggregation of indicators, whether by gender or location, poses further challenges for data collection and analysis. In this context, target 17.18 is critical, as it promotes the monitoring of disaggregated data by “income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts”.

⁶ Economic Commission for Africa, African Union, African Development Bank and United Nations Development Programme (2014). *MDG Report 2014: Assessing Progress in Africa toward the Millennium Development Goals*. Addis Ababa. Available at www.undp.org/content/dam/rba/docs/Reports/MDG_Africa_Report_2014_ENG.pdf

18. Many opportunities exist, such as enhancing local economic development and entrepreneurship, and promotion of the green economy for jobs creation and livelihoods. According to a recent report,⁷ the share of manufacturing to gross domestic product has grown 3.5 per cent, or faster than the global average. In addition, manufacturing exports have doubled, from \$50 billion in 2005 to \$100 billion in 2015. Thus, promotion of intra-African trade of manufactured goods could be an important contributor to reducing poverty in Africa.

IV. Conclusions and strategic policy recommendations

19. Economic growth is a necessary condition for poverty reduction in Africa, but growth alone is not sufficient. Achieving the Sustainable Development Goals and ending poverty in Africa will require accelerated and inclusive structural transformation through economic diversification and accelerated industrialization.

20. For Africa to enjoy the demographic dividend, growth needs to be sustainably high to create sufficient jobs and absorb the growing working-age population. It needs to be inclusive to expand choices and create livelihood opportunities for all, especially women and youths, and achieve substantial and broad-based improvements in human well-being.

21. Expanding social protection programmes and targeting appropriate schemes to the poor and most vulnerable, along with developing appropriate skills through quality education, technical and vocational training and entrepreneurial development, can further reduce poverty in Africa.

22. The African Union Ouagadougou+10 process on employment, poverty eradication and inclusive development has social protection as one of its six key priority areas, which is also reflected in the First Five-Year Priority Programme on Employment, Poverty Eradication and Inclusive Development (2015–2019). Under Aspiration 1, the African Union’s Agenda 2063 pursues the goals of “a high standard of living, quality of life and well-being for all citizens”, which recognize that social protection should be a State obligation, alongside the global agenda of the United Nations Social Protection Floor, to which African Union member States have subscribed.

23. Domestic resource mobilization is critical for achieving the poverty Sustainable Development Goal in Africa. It is also in line with the Addis Ababa Action Agenda, adopted in 2015 by the Third International Conference on Financing for Development, which, among others, called public policies and the mobilization and the effective use of domestic resources, underscored by the principle of national ownership, as being central to achieving the Sustainable Development Goals.

24. Africa should expand the domestic fiscal space through increased economic growth for broader and progressive taxation, to allow increased public investment on employment promotion and social protection. In addition, Africa should strengthen partnerships within the framework of South–South cooperation to leverage resources for financing.

25. In terms of shared opportunities, Sustainable Development Goal 1 on poverty can be a powerful vehicle for enhancing mutual accountability among member States and development partners. Each stakeholder has clear responsibilities for achieving the poverty Sustainable Development Goal.

⁷ “Manufacturing more than doubles in sub-Saharan Africa, despite fall in share of GDP – new report”, available at <https://www.odi.org/news/782-manufacturing-more-doubles-sub-saharan-africa-despite-fall-share-gdp-%E2%80%93-new-report>.