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**ECA new strategic directions for the transformative development
of Africa**

Note by the Executive Secretary

I. Background

The Economic Commission for Africa (ECA) was established in 1958 to promote the economic and social development of Africa. In pursuit of this mandate, it has periodically scanned the development environment to ensure that it remains relevant to the needs and aspirations of its member States.

It has undertaken several reforms to position itself to respond to emerging needs and challenges. Reforms were undertaken in the late 1990s to deal with the dire economic prospects of the continent at that time, typified by poor economic growth, worsening social indicators and prevalent political conflict. More recently, the Commission undertook a repositioning exercise in 2006 to align itself with the changing institutional landscape and to improve service delivery. The 2006 repositioning led to the alignment of the Commission's work with the priorities of the African Union (AU) as well as with highly successful partnerships to further Africa's development.

Since 2006 however, there have been substantial developments at the global and regional levels that warrant further reform by ECA to ensure that it adheres to its mandate and responds to the needs of its member States.

II. Rationale

The world is changing, Africa is changing and ECA must change, if it is to meet continental priorities.

The changes in the world include a new phase of globalization in terms of accelerated economic integration, driven by the phenomenal growth of information and communication technology (ICT) due to increases in digital processing power and its multimedia applications. This has been accompanied by global liberalization of trade and financial markets, with implications for national economies, particularly developing regions like Africa. These developments have also led to higher value addition from knowledge generation and impelled the emergence of global industrial value chains.

Another important dimension is the reconfiguration of economic powers and increasing South-South flows. Several countries in the global South have become key players in world economy due to their economic weight and participation in global finance, investment and trade flows. In 2012, the collective gross domestic product (GDP) of emerging markets increased by 7.4 per cent to \$29.1 trillion, compared to the combined output of \$33 trillion in the G-7. Yet, only five years ago, the G-7 output was twice the size of that of emerging markets. Such is the economic importance of the emerging economies that they are now part and parcel of the G-20, which has replaced the G-8 as the generally accepted forum for shaping global economic policy.

In a similar context, global mega trends will reshape the global economy in unimaginable ways. Some of these mega trends are: (a) an amazing shift in demographic profiles; (b) rapid urbanization; (c) emergence of a global civil society movement; (d) historical poverty reduction in countries of the global South and a bigger middle class; and (e) acceptance of limits to current consumption patterns affecting the planet's renewal capacity.

In this changing global context, Africa has also been experiencing significant changes that impact on its future prospects. Several African countries are among the fastest growing economies in the world. This growth of about 5.4 per cent is attributable to factors such as the continent's youthful population; the burgeoning middle class; enormous natural resource wealth; improvements in governance and macroeconomic fundamentals; growing strength and dynamism of the private sector; and the massive urbanization process with its ensuing benefits of agglomeration. There has also been a great improvement in governance on the continent, with a very discernable trend towards constitutional government under the auspices of the AU. The institutional landscape of the continent also continues to improve, with the absorption of the New Partnership for Africa's Development (NEPAD) into the programmes and structures of AU.

While these developments have led to more positive assessments of Africa, with visible changes from attitudes of Afro-pessimism to effusive Afro-enthusiasm, there are concerns about the quality and sustainability of growth, the massive degradation of production structures and deficits in State capacity. These are manifested in high unemployment rates, inequality and persistent poverty.

Equally significant is the issue of changing policy dynamics, partly as a result of the unsatisfactory outcome of structural adjustment programmes as well as the global economic and financial crisis. Clearly, after more than 20 years of structural adjustment, structural change had not occurred in African economies, while inequality had worsened. The global economic and financial crisis of 2008 gave further cause for reflection as it showed the limits of unregulated markets and the important role of the State in managing economic volatility. Similarly, by not prescribing the means, the Millennium Development Goals (MDGs) introduced gave some policy space to African countries. A post-2015 development agenda would be helpful in taking full account of Africa's experience with the MDGs and aligning with the outcomes of the Rio+20 Conference, including the proposed sustainable development goals.

III. Review process

Against this backdrop of global and regional developments, ECA clearly had to reposition itself to support the continent in addressing the major issues it is currently faced with. Such reform would also be consistent with the tradition of the ECA response to changing dynamics that would impact on the implementation of its mandate. The Executive Secretary of ECA launched a process of reflections and undertook a series of consultations with various configurations of staff members. Heads of State and Government, ministers of finance and planning, ministers of foreign affairs, African ambassadors in Addis Ababa, partner organizations, including AU and the African Development Bank (AfDB) and bilateral partners were also consulted on the direction that the ECA reform was to take. The outcome of the reflection and consultations was that ECA should fashion a transformation agenda for Africa and retool and recalibrate its programmes accordingly.

IV. Transformative development for a renascent Africa

The consensus of views that emerged was that it had become imperative for Africa to use its current growth as a platform for broad structural transformation. In order to do so, it should be empowered to tell its own story, while its development policy should put "Africa First". It

would also mean continued close collaboration among the three pan-African institutions, namely AfDB, AU and ECA to ensure coherence and synergy in programme delivery.

The objective of structural transformation would also entail a substantial change in the sectoral composition of the gross domestic product, with a larger proportion of productive activities such as industry and manufacturing shifting from the primary sector to the secondary sector. Accordingly, growth must work for Africans and be driven by their own priorities. It must also have a strong focus on the use of Africa's economic strengths, scaling up infrastructure, creating productive jobs and domestic entrepreneurship. It should also ensure food and nutritional security alongside viable social policies.

V. Recalibration of ECA programmes

In order, therefore, to be relevant to the transformative agenda of the continent, ECA itself must retool and recalibrate its work. One implication is that the Commission must put "Africa First" in its work and should be ready to take bold positions on policy issues of crucial importance to the continent. The ECA programmatic work will accordingly be realigned, with emphasis on (a) strengthening the rigour and relevance of knowledge produced by the Commission; (b) making ECA the authoritative source of analytical insights into Africa's development; (c) generating knowledge underpinned by robust statistics; and (d) improving the packaging and communication of ECA knowledge products to core policy constituents.

With regard to knowledge generation, the emphasis will be on specialization in areas in which ECA research can make a difference or have an impact. It will take the frontline in generating original data and knowledge and grounding its policy research and advocacy on clear and objective evidence. The intention is for ECA to become the think tank of reference on African development matters. This will entail focusing on generating robust statistics and data and using innovative techniques, including information and communication technologies. It also means that the subregional presence of ECA will be leveraged to support the collection and collation of data in member States, to be used to generate informative and regularly updated country profiles.

ECA subprogrammes will accordingly be recalibrated, taking its comparative advantages into account. The overall ECA programme of work should therefore be organized around nine interdependent and complementary subprogrammes, which reflect the substantive priorities of member States, as shown in the AU NEPAD programme. The reconfiguration of the subprogrammes is based on principles that would ensure that ECA work is based on its specialization and comparative advantages in economic and social development.

This specialization means, for instance, that ECA work would not duplicate activities that are better undertaken elsewhere, including AU or United Nations specialized agencies. Another important consideration is clustering issues and their potential contribution to regional integration. The new strategic direction will also ensure that adequate support is given to African countries to overcome gaps identified in planning, statistics, and contract negotiations; as well as to adjust to megatrends such as urbanization, shifting demographics and challenges of environmental sustainability. In line with the original mandate of ECA, social development should also feature prominently in this effort and duplication of the social programmes of specialized agencies should be avoided.

Focus on specialization and comparative advantage also means that activities such as governance will be tackled more from the economic than purely political standpoint. ECA knowledge generating activities will have to be complemented by subprogrammes that enhance knowledge delivery to its member States and their regional and subregional institutions. Accordingly, and in keeping with the principle of specialization, all training activities will be undertaken under the auspices of the African Institute for Economic Development and Planning. Likewise, specialized advisory services in macroeconomics, industrialization, development planning and natural resource management will be provided under the new programme priorities.

Based on these principles, the nine programmes proposed are:

(a) Macroeconomic policy. This subprogramme will underscore the continued importance of increased growth in Africa, based on the design of sound economic policies, the promotion of private sector development, the mobilization of resources and improvement of economic governance.

(b) Regional integration and trade. This subprogramme will give emphasis to the central role of regional integration in African development by promoting the nexus between trade, industry, agriculture, land, infrastructure and investment and supporting African countries to boost intra-Africa trade and participate effectively in international trade.

(c) Innovations, technologies and management of Africa's natural resources. This subprogramme will focus on nurturing and harnessing new technologies and innovation to support African development, particularly in the context of promoting the green economy and addressing the challenges of climate change. It will also promote the implementation of the African Mining Vision and the outcomes of the Eighth African Development Forum.

(d) Statistics. The statistics subprogramme is vital for the increased emphasis that ECA will place on generating data for evidence-based policy research and policy formulation. ECA statistical activities will also support the monitoring and evaluation of progress in achieving the MDGs and other internationally agreed goals while ensuring the availability of high quality data to guide policymaking.

(e) Capacity development. This subprogramme will play a vital role in ensuring that the key policy findings of ECA research are used to support policy implementation at national, subregional and continental levels. It will do so by strengthening the capacity of member States, regional economic communities and AU to implement their development priorities. The delivery of services under the capacity development subprogramme will take incorporation of NEPAD into AU structures into account.

(f) Gender and women in development. This subprogramme will continue to address emerging issues that impact on African women. It will also promote mainstreaming of gender empowerment and gender equality into national policies and programmes of member States, using credible evidence and data.

(g) Subregional activities for development. This subprogramme will be delivered through the five subregions, namely Central, East, North, Southern and West Africa. It will enhance the capacity of member States to formulate evidence-based plans and policies and produce and disseminate quality and timely statistics for periodic country profiles and risk analysis to inform policy and decision-making. This subprogramme will also promote the design and implementation of subregional development initiatives.

(h) Development planning and administration. This subprogramme will be the locus for training activities to improve public sector management, centred on economic policy formulation, analysis, implementation, monitoring and evaluation. It will also be used to improve and strengthen national visioning and development planning in member States.

(i) Social development policy. This subprogramme will be strengthened to mainstream human development and concerns such as employment, population, social protection and youth issues into regional and national policies and strategies. Activities in these vital areas will be complemented by promoting a better understanding of the delivery of social services in the context of urban planning and management.

The modalities for implementation of these subprogrammes include a combination of policy research, consensus building, capacity development, advisory services and training. The reform process will also be accompanied by efforts to scale up programme delivery through new business standards.

VI. New business standards

The ECA refocusing will not bring about the desired result without a change of its institutional culture. Accordingly, new ways of doing business in the ECA secretariat will be introduced based on the following principles:

- Enhanced support to member States and pan-African institutions through focused capacity development intervention
- A collective approach to implementing key initiatives
- Ensuring that the ECA policy centres are governed by a similar set of rules
- Establishing one common data bank for ECA that is also accessible to all stakeholders
- Ensuring improved and monitored messaging and branding of ECA work
- Establishing and maintaining a disciplined calendar of annual activities
- Significantly reducing the present preponderance of service delivery through workshops and seminars
- Establishing and implementing ambitious gender parity policies
- Significant re-profiling of staff skills and capabilities to carry out new programme priorities
- Working assiduously to reduce carbon footprint of ECA

VII. Conclusion and way forward

The refocusing and re-profiling of ECA responds to many needs including the changing global environment, recent changes on the continent and global processes such as the Rio+20 Conference and the post-2015 development agenda. The proposals in this note are the outcome of extensive consultations with heads of State and government, ministers, permanent representatives, partners and ECA staff members. The implementation of the proposals will put “Africa First” in the Commission’s move to become the authoritative source of analytical insights into African development.

The refocusing of ECA has been endorsed by the January 2013 Assembly of Heads of State and Government of the African Union. The AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development is called upon to also endorse these proposals and provide guidance for their implementation. The proposals will then be submitted to the United Nations Economic and Social Council and subsequently to the United Nations General Assembly for endorsement.