



United Nations
Office of the Special Adviser
on Africa



United Nations
Economic Commission for Africa



27 February to 2 March 2023
NIAMEY, NIGER

Ninth session of the
Africa Regional
Forum on Sustainable
Development

**Webinar on the regional launch of 2022 OSAA's 2022 flagship report on
"Financing for Development in the Era of COVID-19: The Primacy of
Domestic Resources Mobilization in Africa"**

**Virtual side event at the margins of the ARFSD-9
27 February 2023**

Time: 2:00 – 3:30 pm (Niamey, Niger local time)

CONCEPT NOTE

Context and Background

African countries continue to face enormous challenges in financing their development mainly due to their inability to mobilize enough domestic financing and provide resources at scale for investment in social and productive sectors. Africa's financial and capital sector remains shallow, underdeveloped and unable to mobilise domestic savings. Countries continue to suffer from weak governance and inadequate institutional capacity to tackle tax evasion and avoidance resulting in huge illicit financial flows. Further, the substantial African institutional savings (pension, assurance, and sovereign wealth funds) are not always harnessed towards financing sustainable development in the Continent. Consequently, African countries have had to turn to external borrowing often at unfavourable terms and very high-interest rates, to fill the financing gap resulting in unsustainable debt burdens.

The COVID-19 pandemic has laid bare the vulnerabilities of African economies and their weaknesses to respond to emerging risks and reshaped the financing for development landscape in Africa and around the world. But it equally presents an opportunity for African countries to strengthen their resource mobilisation efforts to underpin sustainable development financing. African countries have made efforts to increase Domestic Resource Mobilization (DRM) including through reforms, deregulation and strengthening revenue collection institutions, but their domestic revenue base continues to be narrow. However, mobilizing domestic resources is not only about generating additional revenue but also ensuring the quality of expenditure. Rather than looking at the revenue and expenditure sides separately which is the current practice, both sides of the equation should be examined together.

Domestic private finances have continued to play a very limited role in financing Africa's development mainly due to the shallowness of financial and capital markets in many African countries. At the same time, illicit financial flows (IFFs) continue to drain large amounts of financial resources from the continent shrinking fiscal space. The bulk of long-term capital has come from external sources, with the multilateral development banks playing a major role. Paradoxically, while Africa needs long-term finance for sustainable development and structural transformation, large amounts of long-term finance in the form of pension and assurance funds, sovereign wealth funds, and central bank reserves lie idle or invested abroad.

For DRM to play an effective role in the continent's sustainable development agenda and for the Continent to reclaim its policy space over its development, in order to channel resources towards productive capacity development and industrialisation, the report claims that fundamental changes in both policy and institutions will be required. This includes improving efficiency in public expenditures, strengthening revenue collection, harnessing private savings by developing the private financial sector for development, and stemming IFFs.

Though the subject of financing for development has received considerable attention in recent years and has been the focus of several reports by the United Nations system as well as other regional and international organizations, this OSAA report seeks to add value to the discussion by bringing a uniquely African perspective to the issues and debunking some of the myths on financing for development in Africa. It highlights strategic opportunities presented by the Covid-19 disruptions which African countries can fully exploit to future proof their economies and build sustainable and resilient economies.

It's in this context that the United Nations Office of the Special Adviser on Africa (OSAA) is launching its flagship report entitled "*Financing for Development in the Era of COVID-19: The Primacy of Domestic Resources Mobilization*" on 27 February 2023, in collaboration with the United Nations Economic Commission for Africa (UNECA) at the margins of the Africa Regional Forum on Sustainable Development. The virtual event will be the opportunity to present the key findings of the flagship report and discuss the challenges, opportunities, and policy implications of Financing for Development in Africa. In particular, the webinar will focus on the challenges and opportunities of mobilizing domestic resources facing the African Member States presenting their Voluntary National Reviews (VNRs) in 2023, namely Burkina Faso, Central African Republic, Comoros, Democratic Republic of Congo, Rwanda, Tanzania and Zambia.

Objective

The objectives of the event are to:

- Assess progress towards financing for development in Africa and examine the challenges and impact of the COVID-19 Pandemic on African countries;
- Discuss the opportunities, and policy implications of the role of DRM in driving the continent's economic growth and development in an inclusive and sustainable manner and accelerating the achievement of the 2030 Agenda for Sustainable Development and Agenda 2063; and
- Highlight the best practices and policy innovations across Africa and propose measures to strengthen DRM in Africa with a focus on the African Member States presenting their VNRs during HLPF 2023.

Format and participation

The event will be virtual and last an hour and a half. After the opening session, a short presentation on the flagship report's key findings will be delivered, followed by a panel discussion and an interactive question and answer session.

The event will be open to all participants, including high-level government officials from all UN Member States, as well as representatives from African regional institutions, the UN system, bilateral and multilateral partners, representatives from civil society, the private sector, academia, and the media. There will be simultaneous English/French interpretation.

Co-organizers

Office of the Special Adviser (OSAA) and Economic Commission for Africa (ECA) in partnership with the African Union.

Registration

Registration will be required to attend the event. Link: ([Webinar Registration - Zoom](#))

Contacts

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