



United Nations  
Economic Commission for Africa



**INFF**

Integrated National  
Financing Frameworks

# Evidence based DRM reforms building on qualitative and quantitative research

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# Domestic resource mobilization as the critical element of AAAA

**National Ownership**

**Country Priorities**

**Stability**

**Self-sufficiency/equity/strong institutions**



# Examples of financing policy areas in the context of INFFs

## ***PUBLIC FINANCE (AAAA Action Areas A and C):***

Public revenue  
Public borrowing  
Public expenditure  
Public investment  
Illicit Financial Flows  
International Development Cooperation

## ***PRIVATE FINANCE AND INVESTMENT (AAAA Action Area B):***

### **Commercial investment**

Private investment  
Impact investment

### **Non-commercial**

Remittances  
Philanthropic giving

## ***MACROECONOMIC/ SYSTEMIC CONDITIONS (AAAA Actions Areas E and F):***

Debt sustainability  
Macroeconomic and financial sector stability

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# The HLP on IFFs/ Mbeki Panel recommendation

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Of the 21 recommendations of the Mbeki Panel report, two specific ones were:

- Study potential methodologies for addressing IFFs; and
- ECA to produce operational measures against IFFs.



# Monetary and non-monetary aspect



Africa loses \$50 billion/year in IFFs, an equivalent to...



3/4 the yearly amount required to progress on SDG 3



1 ¼ the amount needed per year to achieve SDG 4



1/3 the annual funding needed to achieve SDG 9



Eroding institutions

Poor governance



Compromised rule of law



# Steps taken to prepare for country work

- July 2017: UN General Assembly adopted the SDG indicator framework / UNCTAD and UNODC as custodians of SDG 16.4.1
- 2017-2018: IFF expert consultations and a stock take of IFF research
- January 2019: Task Force on the Statistical Measurement of IFFs launched by UNECA, UNCTAD and UNODC
- October 2019: [SDG metadata](#) on concepts and methods was approved by IAEG-SDGs and UN Statistical Commission
- October 2020: [Conceptual Framework](#) for the Statistical Measurement of IFFs
- Methodological Guidelines (being finalised)



## Call for interest

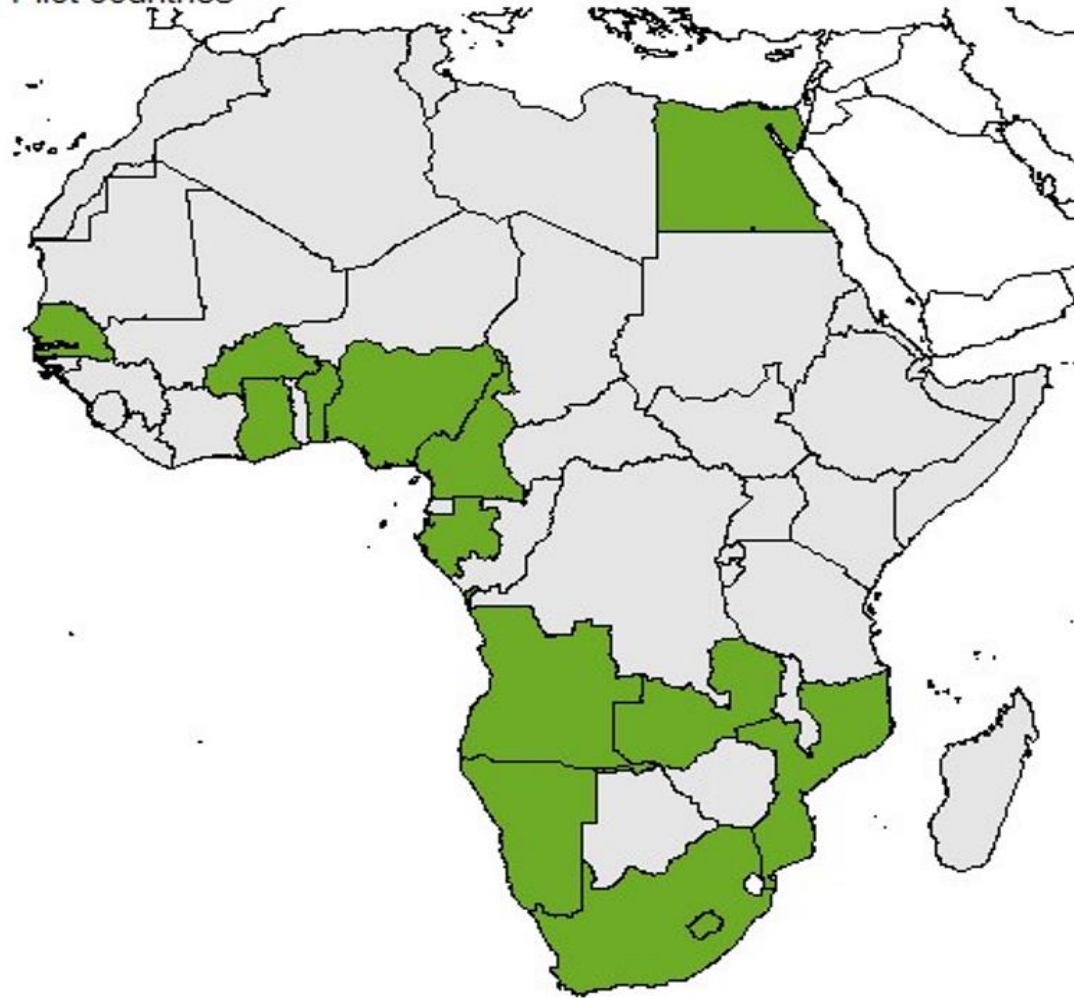
- In February, a questionnaire has been sent to countries to express their interest.
- Launch pilots in a continental workshop on statistical methodologies to measure IFFs in Africa
- Make available global guidelines, instructions and training material
- Provide continuous technical support and a help desk for the duration of pilot testing in countries
- Allocate funds to cover limited direct costs or assign an expert to guide and coordinate work



# Countries expressing interest

Pilot activities for measuring illicit financial flows in African countries

Pilot countries

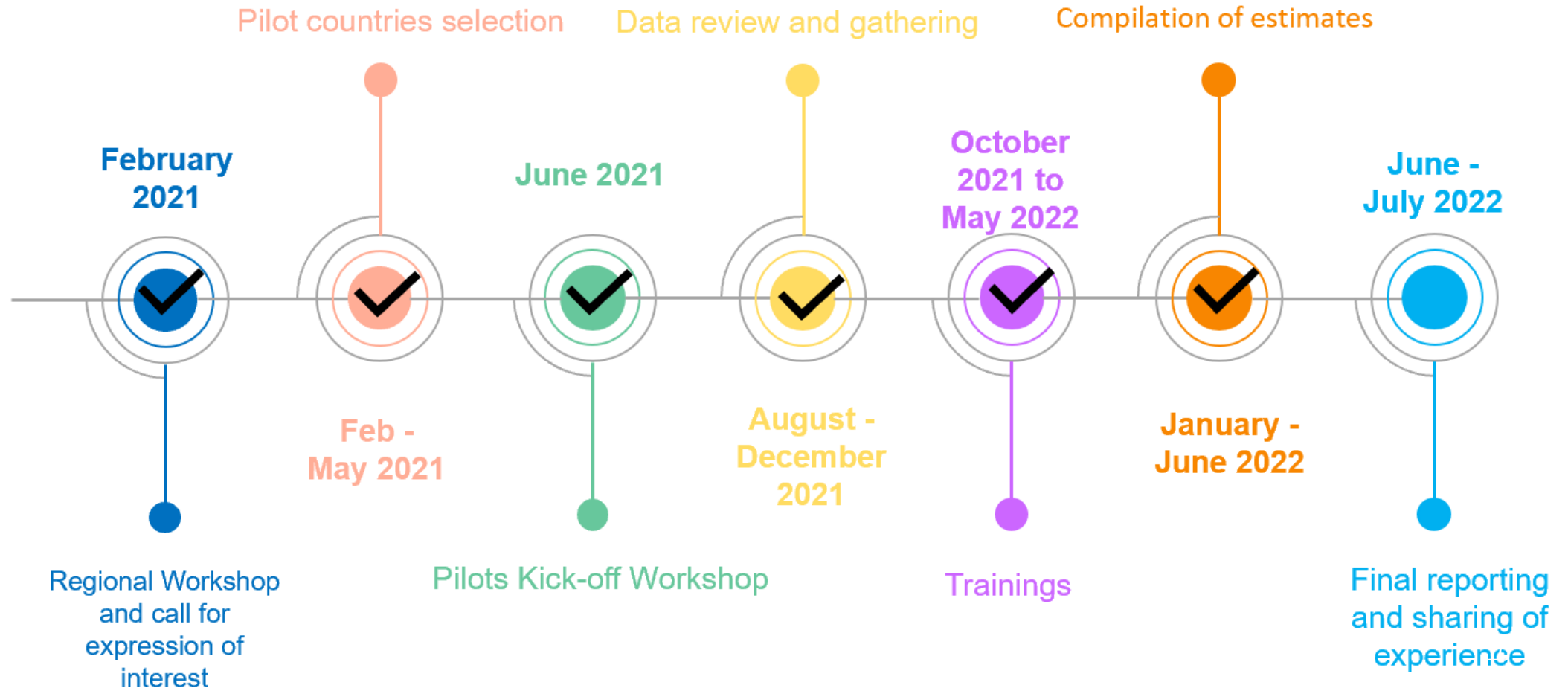


☐ African countries  
☐ Planned IFF pilot countries

- Angola
- Benin
- Burkina Faso
- Cameroon
- Egypt
- Gabon
- Ghana
- Mozambique
- Namibia
- Nigeria
- Senegal
- South Africa
- Zambia

(The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations)

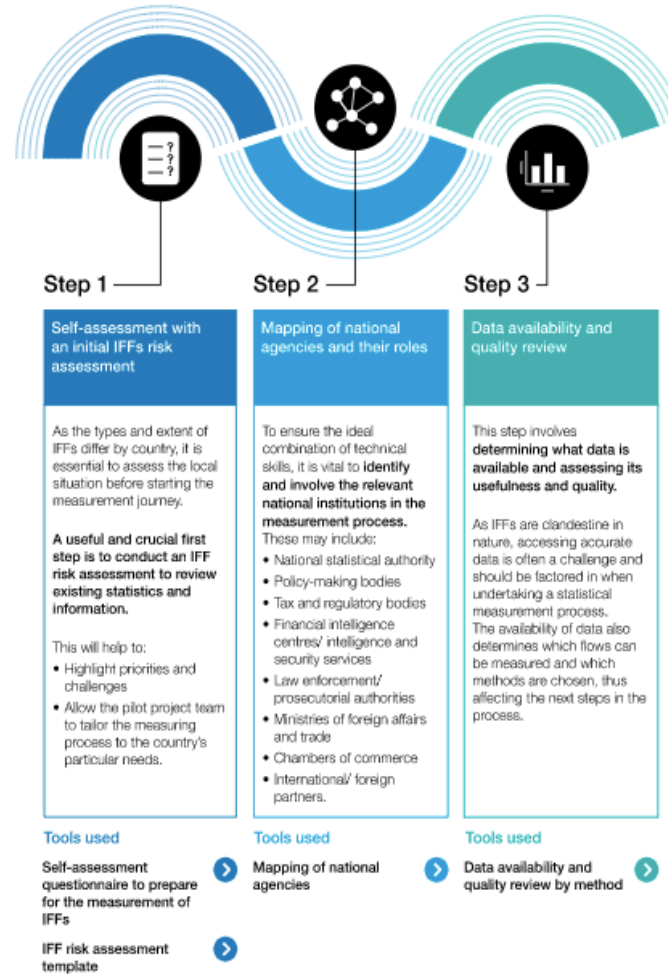
# Project milestones



# Support national authorities in the pilot testing of the measurement of selected IFFs

- IFF Risk Assessment
- Mapping of agencies
- Technical Working Group (TWG) on IFFs
- Training and resources
- Data availability review
- Support during pilot testing
- Wrap-up meeting and action plan

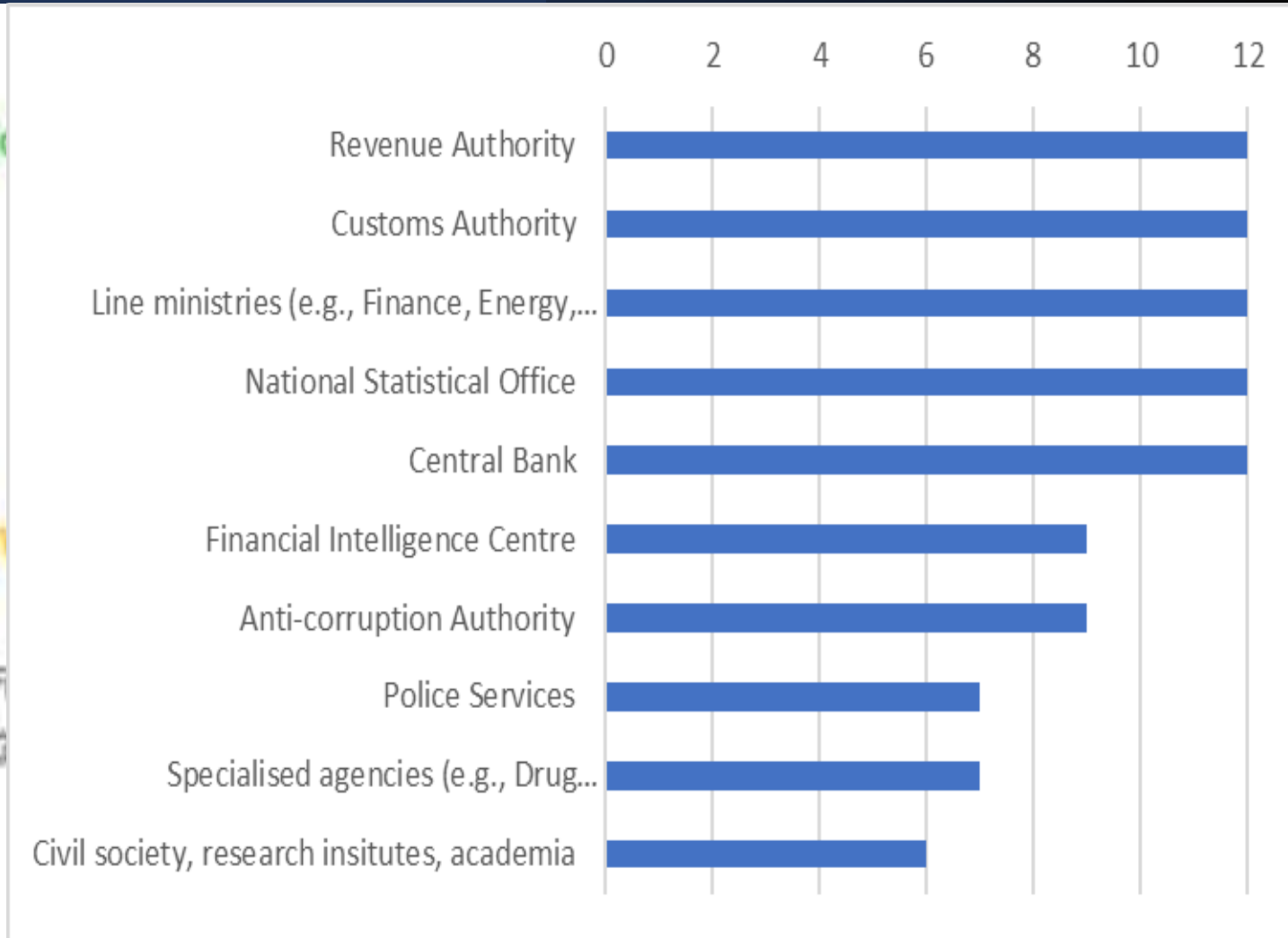
## Step-by-step journey to start measuring IFFs



## Step-by-step measurement journey

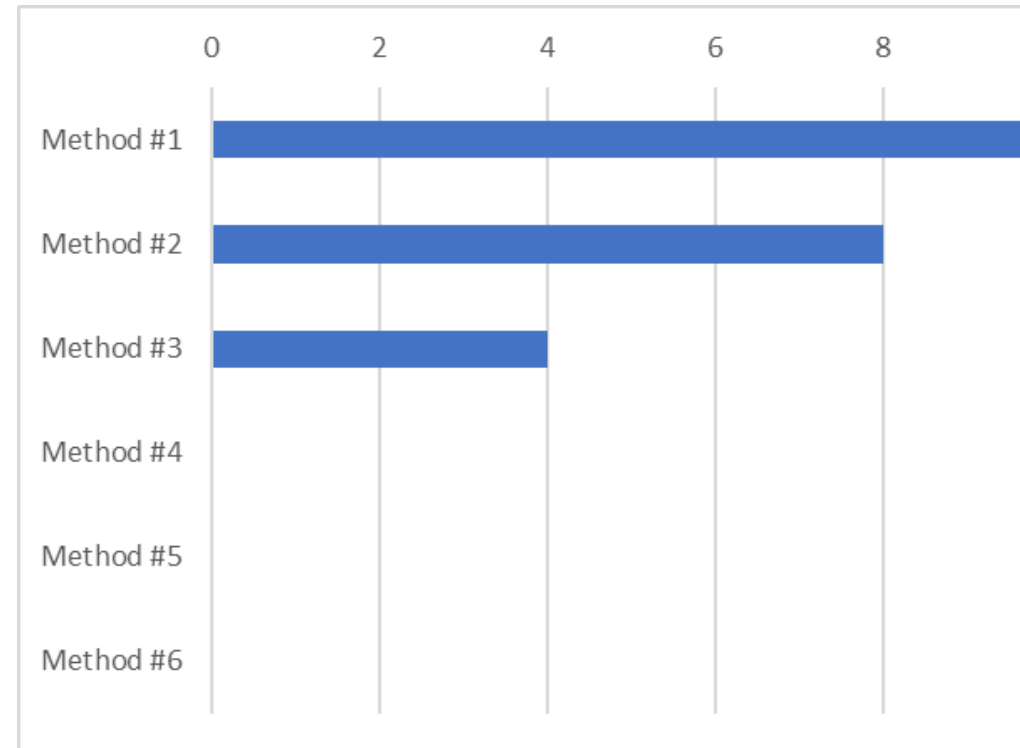


# TWG Key Members



# Choice of methods

- Method 1: Partner Country Method
- Method 2: Price Filter Method
- Method 3: Global distribution of multi-national enterprise groups' (MNEs) profits and corporate taxes
- Method 4: MNE versus comparable non-MNE profit shifting
- Method 5: Flows of undeclared offshore assets indicator
- Method 6: Flows of offshore financial wealth by country



# What have we learned from this exercise?

- Definitions, Methodologies and Concepts
- Data Access, Data Quality, Data Confidentiality
- Learning, Iteration, and Transparency
- Building Communities of Practice to Encourage Learning and Sustainability
- Validation is Key
- Formalisation or Operationalisation of the TWGs and Resources to Fund

# What's next?

- Measurement of IFFs is the first step in identifying threats and risks from IFFs.
- The next step is to conduct a country risk profile on the IFFs.
- This will inform the policy processes to curb IFFs, which is the next stage of the process and is part of the global programme to curb IFFs through DA15 and partnering with the African Union Commission (AUC), the African Tax Administration Forum (ATAF), the African Development Bank (AfDB), the Tax Justice Network-Africa (TJNA), and the African Union High Level Panel on IFFs
- A holistic approach to economic governance and public finance



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# THANK YOU

