

Domestic Resource Mobilisation: A solution to Tackle Africa's Multiple Crises

African countries can mitigate global external shocks by tackling illicit financial flows and undertaking progressive domestic resource mobilisation.

Lusaka, 28th September 2022 – Over the past few years, the African economy has been devastated by multiple crises and external shocks. These have included the Covid-19 pandemic, the ongoing conflicts in Ukraine, the looming debt crisis, rising inflation and the increasingly adverse impacts of climate change. Africa will need at least USD 432 billion to address the effects of Covid-19, and as of today, the climate finance gap sits at \$127.2 billion annually until 2030. The economic disruptions stemming from the Russia-Ukraine War are set to widen Africa's financing gap. This has led to the increasing need for African governments to cushion their citizens amid shrinking fiscal space.

According to the African Tax Outlook 2021, the continent's tax-to-GDP ratio is 14.84%. This is significantly below the OECD average of 33.5%, indicating that African countries must do more to improve their domestic resource mobilisation efforts. This is partly due to illicit financial flows (IFFs) which are estimated at USD 88.6 billion as per the 2020 UNCTAD Report on Illicit Financial Flows in Africa. This amounts to 3.7% of Africa's GDP, leaving the continent as illicit capital flight.

The Pan African conference on illicit financial flows provides the platforms for different players on the continent to get together once again and evaluate our priorities: The African Tax Administration Forum (ATAF)'s Deputy Executive Secretary, Ms Mary Baine, expressed, ***"While we celebrate the 10th Pan African Conference on IFFs and Taxation, it is crucial to take stock of where we are in the fight against IFFs, in a global economy largely in recovery, with the ongoing debate on the global tax system and the ever-increasing volume of IFFs; and this partnership with the African Union Commission, TJNA and other key actors, directly feeds into this"***.

This conference aims to identify transformative actions and solutions for actors such as African governments, parliamentarians, civil society organisations, the private sector and other policy players that are key in mobilising domestic resources.

"The rhetoric on the sustainable development goals is about leaving no one behind, and yet Africa has been left behind in all aspects, be it in the case of debt, climate change, or the COVID-19 pandemic. As history has shown, African countries need to realise that they are on their own and stop relying on the support from rich countries in the north. They have to

focus on internal mechanisms that will sustain their economic development". Explained Alvin Mosioma, the Executive Director of Tax Justice Network Africa (TJNA).

This year, ATAF and TJNA are co-hosting the PAC under the theme: **Tax Justice Amid Multiple Crises**. This conference is happening in Lusaka, Zambia, at the Taj Pamodzi Hotel from 28-29 September 2022 and will also be broadcast virtually.

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