



Aide Memoire

High Level Event: Aid as Catalyst for Domestic Resource Mobilization in Africa 24 July 2013, AUC Conference Centre, Addis Ababa, Ethiopia

The AU Commission and NEPAD Agency are co-organizing a multi-stakeholder event, hosted under the auspices of the Africa Platform for Development Effectiveness (APDev) on “Aid as Catalyst for Domestic Resource Mobilization in Africa” on 24 July 2013 in Addis Ababa. The event will hold prior to the 3rd Meeting of the Steering Committee of Global Partnership (GP) for Effective Development Cooperation, 25 – 26 July 2013.

Background:

For Africa to realize its objectives of inclusive growth and sustainable development, the continent has stepped up policy measures aimed at addressing the financing constraint. Adequate domestic resources to finance sector priorities particularly infrastructure and agriculture programmes are essential in boosting national development and regional integration.

In this context, the African Union (AU) and its NEPAD Programme, at the turn of the Millennium prioritized the increase in domestic resources for long-term development. African leaders are responding to this issue through various initiatives under the auspices of the AU Assembly. The Continent-wide initiatives include the setup in January 2011 of the High–Level Panel on Alternative Sources of Funding for the African Union chaired by former Nigerian President, H.E. Olusegun Obasanjo. The NEPAD framework of October 2001 identified resource mobilization, both domestic and foreign, as critical to the actualization of Africa’s renewal. To this effect, in 2012, the African leaders in the NEPAD Orientation Committee commissioned a comprehensive study on Domestic Financial Resources for implementing national and regional programmes. Similarly, in 2011, the joint AUC/UNECA Conference of African Ministers of Finance, launched the High-Level Panel on Illicit Financial Flows from Africa led by former South African President, H.E. Thabo Mbeki.

The overriding intention is for Africa to own and drive its continental agenda utilizing its domestic financial resources to deliver the much-desired socio-economic transformation. Essentially, Domestic Resource Mobilization (DRM) forms a key pillar of the African Union’s strategy for the next fifty (50) years and is pivotal to the successful implementation of the second decade of NEPAD. This agenda as part of Africa’s “*Beyond Aid*” approach is further reflected in the 2011 African Consensus and Position on Development Effectiveness.

Globally, the international community is making efforts to support DRM through a number of initiatives. These include the 2002 Monterrey Consensus, 2008 Doha Follow-Up Declaration on Financing for Development (FfD) and 2011 Busan Global Partnership (GP) for Effective Development Cooperation. Overall, these continental and global efforts seek to promote greater coherence across aid, trade and investment policies towards stimulating DRM. The Post-2015 Development Agenda presents an opportunity to reinforce the necessity of global support for DRM strengthening in Africa.

Given Africa's emerging status as a growth pole, channeling more aid resources to support country and regional DRM efforts is therefore paramount. This implies the urgent need for aid to serve as a catalyst to advance financial and fiscal policy reforms. Critical to this is also the creation of an enabling socio-economic environment with effective institutions for DRM. The result will be better enhancement of requisite capacities for DRM.

Objectives and Structure of the High Level Event:

The objectives of the event include:

- Foster the sharing of knowledge, experiences and strategies on the effective mobilization of DRM with a particular focus on results-oriented use of aid;
- Contribute to global development cooperation strategy on increasing aid resources for specific DRM policies and mechanisms;
- Generate recommendations towards the effective mobilization of capacities for DRM policy and institutional reforms as an integral part of development cooperation;
- Deepen dialogue and develop a common African approach to aid as catalyst for DRM within the Global Partnership process particularly the upcoming 3rd meeting of the Steering Committee from 25-26 July 2013 in Addis Ababa and the inaugural Ministerial Meeting.

The high level event is structured in two (2) sessions as follows:

Session 1:

Aid as catalyst for policy reforms and effective institutions in strengthening DRM

Session 2:

DRM innovative solutions through South-South partnerships

The two sessions will be led by high level panels comprising eminent African thought leaders and DRM experts followed by interactive discussions. Invited participants will include representatives of AU Member States, AU Organs, RECs, private and public sectors, regional and international development/financial institutions.

The program of the event reflects opening by AUC Chairperson and co-chaired by AUC and NEPAD Agency.