



Meeting Developmental Needs – Achieving the Sustainable Development Goals

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Félix FERNANDEZ-SHAW
European Commission, DG DEVCO
Director International Cooperation
and Development Policy

Overview

- 1. A New global framework*
- 2. Achieving the SDGs at country level*
- 3. How the EU can contribute*
- 4. Conclusions*

1. New Global Framework

2030 Agenda for Sustainable Development

- Brings together Sustainable Development Goals (SDG), Addis-Agenda Financing for Development, Paris Climate Agreement
- Universal – applies to all countries – very important shift
- Poverty eradication and three dimensions of sustainable development (economic, social, environmental) + peace, governance, gender...



Addis Agenda

SDG 17 – Means of implementation

- Means of implementation not just about ODA
- Mobilising all means and all actors (public/private, domestic/international)
- Strong focus on good policies and enabling environments
- Emphasis on domestic action and domestic resources

- SDG 17.1 Domestic resource mobilization
- SDG 17.2 Official development assistance
- SDG 17.3 Additional financial resources (FDI, remittances)
- SDG 17.4 Long-term debt sustainability
- SDG 17.6: North-South, South-South, triangular, regional cooperation

2. Achieving the SDGs at country level

Importance of operationalisation at country level!

- *In addition to the work at global level, countries need to translate the SDG into the national context*
- *Deciding on the country's **SDG priorities** and the sequencing up to 2030*
- *Incorporating the SDGs into all relevant **national policies and results frameworks***
- ***Costing** / assessing the financial needs to achieve the SDGs*
- *Translating SDG priorities into **integrated national financing frameworks***
- *Ensure **coordination** of diverse stakeholders and financing sources*
- *Strengthen **data and statistics** for monitoring the 2030 Agenda*

Integrated national financing frameworks

- *As called for in the Addis Agenda;*
- *upcoming debate at the April 2019 Financing for Development Forum*
- **Assessing** the entire range of different financing options. Make use of existing tools such as **UN Development Financing Assessments (DFA)**
- **Aligning** financing with political priorities
- *Making best use of financial resources depending on their nature*
- **Mobilising domestic revenue and private investments** for sustainable development
- *Carrying out the adequate **reforms** / ensuring the right **policies** are in place to "attract" new flows*

3. How the EU can contribute

The EU, a major player



- **Africa-Europe Alliance** – Taking our partnership for investment and jobs to the next level
- EU and its Member States account for **57% of worldwide ODA**
- EU Member States account for **40 % of FDI stock** to Sub-Saharan Africa (approx. €180 billion in 2017) compared to 13% coming from China
- EU largest provider of grant **Budget support** worldwide with annual disbursements close to **€2 billion** to 90 countries and territories;

What we need

- 1. National Development Plans that incorporate the SDG priorities*
- 2. Countries to refine further the cost estimates of the IMF assessment for SDG costing*
- 3. Governments to elaborate their specific Integrated National Financing Framework (INFF), starting from Domestic Resources.*
- 4. Traditional and Emerging Donors, MDBs, private sector need to find their place in this context*

What we provide

EU budget support (BS) – catalyst for different kinds of funding sources

- BS = Effective use of country systems. Preferred instrument of ODA for the EU where conditions allow (SDG 17.2).
- **4 components:** Informed policy dialogue, performance measurement (+ variable tranches), fiscal transfers, capacity building
- Emphasis on **support to reforms** strengthening:
 - domestic revenue mobilisation (**DRM**; SDG 17.1)
 - Efficient and transparent **public finance** and **debt management** (SDG 16.6; 17.4)
 - dialogue on improvement of **business environment** (SDG 17.3)
 - National or sectoral development policy implementation including **social service delivery**
- *Example: new sector budget support under instruction with Kenya – working on DRM, public investment and expenditure management*

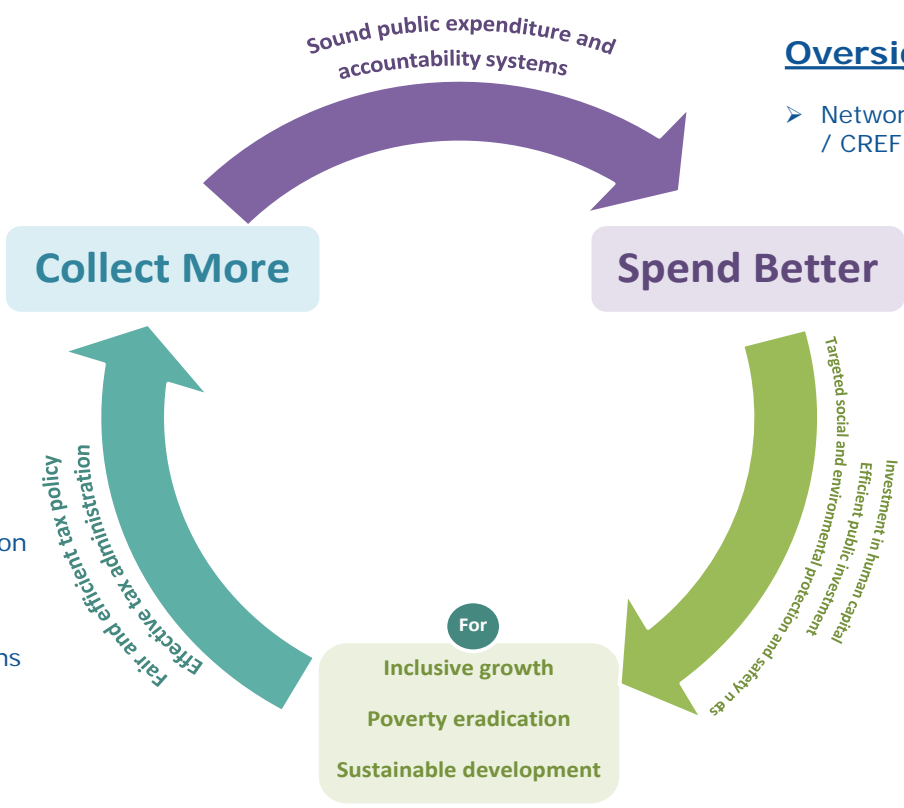
What we provide

The EU “Collect more – spend better” approach

Action plan: €230 million 2014-2020

Oversight and External control

- Networking of Courts of Auditors (AFROSAI-E / CREFIAF)



Revenue side: collect fairly

- Diagnostic tool (TADAT)
- Technical assistance (IMF AFRITACs, RMTF, MNRW)
- Fight against international tax base erosion and profit shifting (Support to OECD BEPS Inclusive Framework)
- Fight against IFF (OECD Global Forum on Transparency and Exchange of Information for Tax Purposes)
- Revenue issues in regional organisations (EC regional programmes)
- Continental networking (ATAF)
- UN Committee of tax experts
- Improvement of comparability of data on revenue (OECD Revenue statistics)

Expenditure side: spend wisely

- PFM Diagnostics (PEFA)
- PFM reform partnership with IMF
- Public procurement (MAPS)
- Public investment management (IMF PIMA)
- Debt management (WB/IMF DMF; UNCTAD DMFAS)
- Budget reform (CABRI); Public accounts (AFROPAC)

Fighting illicit financial flows (SDG 16.4)

- 2015 High Level Panel Report on IFF
Africa loses US\$ 50 billion annually through IFF

- IFF = No official definition

Narrow: Corruption - money laundering / terrorism financing - tax evasion

Broad: Tax avoidance (incl trade misinvoicing, aggressive tax plan, transfer pricing abuse)

- African Union – European Union Summit in Abidjan,
Joint Declaration, November 2017:

“Promote international cooperation in line with current international standards in order to foster sustainable development in light of the AU's 2018 theme “Winning the Fight Against Corruption: A Sustainable Path for Africa's Transformation”

- How to fight ?

=> Strengthen transparency

=> Concerted action

=> Broad implementation of international standards

=> Exchange of information

=> Action against base erosion and profit shifting

=> Criminal investigation



Mobilising additional funding – The EU External Investment Plan (EIP)



- **Three pillar approach** – (i) Financing; (ii) Technical assistance; (iii) Investment climate
- Supporting public and private investment through **blending** of grants and loans: 51 projects in SSA mobilising €9.9 billion in investment
- Private sector development through **guarantees** (SDG 17.3): €1.54 billion of which 2/3 to Sub-Saharan Africa. Intention to increase overall guarantee amount of EU budget to €60 billion over 2021-2027
- **Examples of EU portfolio guarantees:**
 - FISEA+ SME and Agribusiness Investment Guarantee (AfD, €35 million)
 - European guarantee for Renewable Energy (AfD, KfW, CDP, EIB) €168.5 million;

4. Conclusions

- *National appropriation of SDG agenda essential!*
- *Strong leadership role of Ministries of Finance*
- *Determine political priorities and work on costing*
- *Strengthen domestic revenue mobilisation*
- *Improve investment environment, regulatory framework, fight corruption to attract private funds*
- *Donors need vision and guidance from partner countries*
- *Use ODA strategically – it is a dear resource!*