United Nations
Economic Commission for Africa

United Nations Economic Commission for Africa, Government of Ethiopia and Mckinsey and Company's Side Event.

Increasing Africa's Fiscal Space

Addis Ababa, Ethiopia

Concept Note

Objective

African countries need fiscal space to finance their national development priorities without risking the sustainability of Government's financial position. This side event, jointly organized by the United Nations Economic Commission for Africa, The Ministry of Finance and Economic Development of Ethiopia and McKinsey and Company, aims to interrogate the role of fiscal space in Africa's agenda of structural transformation and identify the various mechanisms to enhance fiscal space in the short-, medium- and long-run to address the extensive and evolving financing needs of sustainable and inclusive development in Africa.

Expected Outcomes

Member states and other relevant stakeholders will have the opportunity to examine the various initiatives and the potential policy options to enhance Africa's fiscal space. The side event will present case studies and experiences and lessons learned to significantly increase fiscal space in Africa.

The following key issues will be discussed:

1. Enhancing fiscal space through national development plans to further mobilize domestic resources for structural transformation and sustainable development.
2. Boosting tax revenue generation and public-investment expenditure in priority areas of infrastructure, agriculture and human capital while ensuring fiscal and debt sustainability.
3. Strengthening national and sub-regional capacity for economic transformation through improving transparency and accountability in public finance and mineral resource management.
4. Leveraging external support to enhance capacity for domestic resource mobilization and its utilization in priority areas defined by African countries.

5. Ensuring global cooperation and coordination to enhance Africa's fiscal space by stemming tax evasion, encouraging tax information exchange and reversing the proceeds of illicit financial flows (IFFs).

Background

To achieve the overarching goal of structural transformation, articulated in various national development strategies as well as the Common African Position on the post 2015 agenda and Agenda 2063, many African countries have established a number of special initiatives focusing on infrastructure and human capital development, agricultural transformation and inclusive and sustainable industrialization. At the regional level, Africa has recently stepped up its policy initiatives aimed at addressing the financing gap by relying more on domestic resource mobilization. However, the realization of these initiatives will essentially depend on the framework and policy instruments to secure fiscal space for financing national development strategies for structural transformation and sustainable development.

Building on the outcomes of Africa's regional consultations in preparation for the third International Conference on FfD, this side event will provide Member States and other stakeholders with perspectives and assessment of the dynamics in the region, their bearing on a changing financing landscape and the importance of reflecting on the issue of fiscal space as a critical component of Addis Ababa Accord and the post 2015 development agenda.

Modality, Main Speakers and Participants

Format:
A 2 hours high-level event (maximum of 250 participants), consisting of presentations by main speakers followed by floor discussion.

Main speakers:
Dr. Sufian Ahmed, Minister of Finance and Economic Development (MoFED), Ethiopia will deliver the keynote address. Dr. Carlos Lopes, Executive Secretary of ECA and Mr. Acha Leke, Director of McKinsey & Company will elaborate on some of the aspects listed above, weaving-in other relating issues as they see fit.

Participants:
Ministers and other high-level policymakers, academics and researchers, civil society, private sector, regional and international organizations.

Venue: Elilly Hotel, Green Hall
Date: 14 July 2015
Time: 10-12:30 pm