WIDER ATLANTIC POLICY PAPER SERIES

MOBILIZING RESOURCES FOR AFRICA

Financing and Capacity-Building Strategies for Effective Delivery of the Sustainable Development Goals

LANDRY SIGNÉ

G | M | F The German Marshall Fund of the United States
STRENGTHENING TRANSATLANTIC COOPERATION

OCP POLICY CENTER

Please direct inquiries to:

The German Marshall Fund of the United States
1744 R Street, NW
Washington, DC 20009
T 1 202 683 2650
F 1 202 265 1662
E info@gmfus.org
www.gmfus.org

OCP Policy Center
Ryad Business Center – South
4th Floor – Mahaj Erryad – Rabat
T +212 5 37 27 08 08
F +212 5 37 71 31 54
E communication@ocppc.ma
www.ocppc.ma

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Mobilizing Resources for Africa

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Wider Atlantic Policy Papers

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By Landry Signé[1]

[1] Dr. Landry Signé is a distinguished fellow at Stanford University's Center for African Studies, founding chairman of the award-winning Global Network for Africa's Prosperity, professor of political science at UAA, and adviser to global leaders on African affairs and development issues. He has won nearly 40 prestigious international awards, fellowships, and recognitions from four continents bestowed by heads of state, governors, chancellors, governments, media, universities, and NGOs, and has been honored as a World Economic Forum Young Global Leader and Archbishop Tutu Leadership Fellow. He is grateful to Madeleine Georg, Tim Ridout, and Mohamed El Harrak for their valuable comments, and to his research assistant, Matthieu Ostrander, for his substantial contribution.

1 Introduction

As 2015 progresses, policymakers and scholars are exploring innovative implementation, financing, and capacity-building strategies for the post-2015 development agenda, which is in the process of being defined by the United Nations. The most notable input to the agenda thus far is the set of Sustainable Development Goals (SDGs). Defining the post-2015 development agenda is occurring in the context of unmet Millennium Development Goals (MDGs) for most African countries. The United Nations adopted the MDGs[1] in order to make "the right to development a reality for everyone."[2] Eight goals were set forth, to be achieved between 1990 and 2015: 1) eradicating extreme poverty and hunger, 2) achieving universal primary education, 3) promoting gender equality and women's empowerment, 4) reducing child mortality rates, 5) improving maternal health, 6) combating HIV/AIDS, malaria, and other diseases, 7) ensuring environmental sustainability, and 8) developing a global partnership for development.

In order to implement the MDGs successfully, the New Partnership for Africa's Development (NEPAD) estimated in 2001 that Africa would require a 7 percent annual gross domestic product (GDP) per capita growth rate over 15 years.[3] Based on the amount of resources mobilized as of 2001, this called for filling an annual gap equivalent to 12 percent of Africa's GDP — $64 billion per year.[4] Unfortunately for the continent, neither has happened. NEPAD, Africa's most ambitious development initiative of the early 21st century, was not able to mobilize enough financial resources, and has instead made only modest progress toward implementing its initial agenda.[5]

It is therefore unsurprising that Africa (mostly sub-Saharan Africa) has not been able to achieve the MDGs successfully. Although a few countries reached some targets, some MDG indicators underestimated African progress by not sufficiently taking into consideration initial conditions.[6] Since poverty rate is a function of per capita income, countries with the lowest per capita income levels can have levels of growth comparable to those of middle-income countries, and yet produce very little change in their poverty rates. Africa's record-high GDP growth rate (5.2 percent from 2000 to 2007) was still not high enough to achieve the MDGs.[7]

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As the global community looks ahead to the post-2015 development agenda and the Sustainable Development Goals, it is critical to develop strategies to overcome the above-mentioned challenges to the MDGs. As stated by U.S. President Barack Obama, "the security and prosperity and justice that we seek in the world cannot be achieved without a strong and prosperous and self-reliant Africa."[8] Policymakers around the Atlantic have

[1] See UN General Assembly Resolution A/55/L.2, *United Nations Millennium Declaration* (September 8, 2000), http://www.un.org/millennium/declaration/ares552e.htm.

[2] Ibid., III.11.

[3] See *The New Partnership for Africa's Development (NEPAD)* (Johannesburg: NEPAD, October 2001), 16, http://www.nepad.org/system/files/framework_0.pdf.

[4] *NEPAD*, 44.

[5] Landry Signé, *Le NEPAD et les Institutions Financières Internationales en Afrique au 2Ie Siècle:* Émergence, Évolution *et Bilan* (Paris: L'Harmattan, 2013).

[6] United Nations, *MDG Report 2014: Assessing Progress in Africa toward the Millennium Development Goals* (Addis Ababa: United Nations Economic Commission for Africa, October 2014), http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/MDG_Report_2014_11_2014.pdf.

[7] William Easterly, "How the Millennium Development Goals Are Unfair to Africa," *World Development*, vol. 37, no. 1 (2009): 29.

[8] Barack Obama, "Remarks by the President in Town Hall with the Washington Fellowship for Young African Leaders, Omni Shoreham Hotel, Washington, D.C.," July 28, 2014, *White House Transcript*, https://www.whitehouse.gov/photos-and-video/video/2014/07/28/president-holds-town-hall-young-african-leaders#transcript.

Through greater business opportunities, shared global prosperity, international justice, and reduced security threats, countries in the Atlantic community would be the first beneficiaries of increased development in conjunction with a marked increase in the well-being of citizens in African countries.

a significant role to play in this debate, since the Atlantic community includes all types of players necessary to the successful implementation of the post-2015 development agenda. This includes members from the Development Assistance Committee (DAC), including Canada, France, Portugal, Spain, the United States, and the United Kingdom; non-DAC countries such as Mexico and Iceland; countries from the BRICS grouping, Brazil and South Africa; and members of the African, Caribbean, and Pacific Group of States (ACP), including Cameroon, Côte d'Ivoire, the Dominican Republic, and Jamaica. Other members also include low-income African countries such as the Democratic Republic of Congo and Niger, as well as middle-income African countries such as Angola, Botswana, and South Africa, and even several private donors and investors such as the Bill and Melinda Gates Foundation and Emerging Capital Partners. Through greater business opportunities, shared global prosperity, international justice, and reduced security threats (piracy, terrorism, illegal immigration, civil wars, illegal drug trade, epidemics, pandemics, and outbreak of contagious diseases), countries in the Atlantic community would be the first beneficiaries of increased development in conjunction with a marked increase in the well-being of citizens in African countries.

This policy paper provides a comprehensive strategy to help African and international decision-makers successfully mobilize financial resources and effectively build capacity for improved implementation of the post-2015 development agenda. It discusses the relevance and efficient use of a wide range of tools that can be adopted by development actors, depending on their specific context and goals. Actors evaluated include African countries and regional institutions, "North-South" country cooperation, "South-South" country cooperation, international financial institutions, and key stakeholders such as the private sector, civil society organizations, research centers, and think tanks.

2 The Post-2015 Development Agenda

The formulation of the post-2015 development agenda has been characterized by the diverse participation of a multitude of stakeholders, including individuals, through mechanisms such as the United Nations Development Group, non-governmental organizations, the High-level Panel of Eminent Persons on the Post-2015 Development Agenda, the Sustainable Development Solutions Network, the United Nations Global Compact, United Nations Regional Commissions, the United Nations System Chief Executives Board for Coordination (CEB), the United Nations Secretary General and the broader United Nations system, and UN member states through intergovernmental processes, including through the United Nations Conference on Sustainable Development (Rio+20 Conference).[9]

For example, the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda commissioned by UN Secretary General Ban Ki-moon laid out in a 2013 report five "transformative shifts" foreshadowing the post-2015 development agenda, which is still being defined:

- "Leave no one behind": focus on ending, rather than alleviating, extreme poverty.
- A focus on sustainable development, such as replacing thermal power generation with hydro, allowing cross-border electricity trading, and attempting to mitigate the effects of global warming.
- "Transforming economies for inclusive growth.
- "Building peace and effective, open, and accountable institutions."
- Forging a new global partnership, to include national governments, local governments, businesses, foundations, etc.[10]

In response to criticisms of the MDGs, the post-2015 development agenda will set contextual goals for multi-level recovery strategies.[11]

A defining moment for the Sustainable Development Goals was the United Nations Conference on Sustainable Development (Rio+20), held in Brazil, June 20-22, 2012. One of its most important outcomes was the mandate provided to member states to lead the formulation of the SDGs. This resulted in the creation of the General Assembly Open Working Group on Sustainable Development on January 22, 2013, which was tasked with developing a proposal. On September 10, 2014, the United Nations General Assembly adopted the resolution A/RES/68/309 deciding, "the proposal of the Open Working Group on Sustainable Development Goals [including 17 goals and 169 targets] contained in the report shall be the main basis for integrating sustainable development goals into the post-2015 development agenda."[12] The 17 Sustainable Development Goals currently guiding discussions between stakeholders are:

- **Goal 1.** End poverty in all its forms everywhere;

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[9] United Nations, *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives, and Protecting the Planet* (New York: United Nations, December 2014), http://www.un.org/disabilities/documents/reports/SG_Synthesis_Report_Road_to_Dignity_by_2030.pdf.

[10] United Nations, *A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development: The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda* (New York: United Nations, 2013), 7-9, http://www.un.org/sg/management/pdf/HLP_P2015_Report.pdf.

[11] Ibid., 29-31.

[12] UN General Assembly Resolution A/RES/68/309, *Report of the Open Working Group on Sustainable Development Goals Established Pursuant to General Assembly Resolution 66/288* (September 10, 2014), http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/68/309.

These Sustainable Development Goals (and their targets) will require substantial financial resources, which can potentially be obtained through innovative mechanisms, strategies, and tools.

- **Goal 2.** End hunger, achieve food security and improved nutrition, and promote sustainable agriculture;
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages;
- **Goal 4**. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- **Goal 5.** Achieve gender equality and empower all women and girls;
- **Goal 6.** Ensure availability and sustainable management of water and sanitation for all;
- **Goal 7.** Ensure access to affordable, reliable, sustainable, and modern energy for all;
- **Goal 8.** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all;
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation;
- **Goal 10.** Reduce inequality within and among countries;
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient, and sustainable;
- **Goal 12.** Ensure sustainable consumption and production patterns;
- **Goal 13.** Take urgent action to combat climate change and its impacts;
- **Goal 14.** Conserve and sustainably use the oceans, seas, and marine resources for sustainable development;
- **Goal 15.** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss;
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels; and
- **Goal 17.** Strengthen the means of implementation and revitalize the global partnership for sustainable development.[13]

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[13] United Nations, *Open Working Group Proposal for Sustainable Development Goals* (July 19, 2014), https://sustainabledevelopment.un.org/content/documents/1579SDGs%20Proposal.pdf.

3 Financing the Post-2015 Development Agenda

Sources of development financing can largely be broken into five distinct categories:

- Official Development Assistance (ODA) from countries who are members of the Development Assistance Committee (DAC) of the OECD
- non-DAC country aid flows and private donor flows
- private investment
- domestic resource mobilization, and
- emerging (non-traditional) sources, such as "global solidarity" levies on currency transactions.

Traditionally, the development agenda has largely relied on direct transfers to public entities, rather than on financial innovations. Non-traditional forms of fundraising have raised $57.1 billion between 2000 and 2008. These non-traditional mechanisms, such as lotteries, diaspora bonds, and loan guarantees have been more useful than identifying other sources of ODA.[14] Nonetheless, these mechanisms should be viewed as a complement, rather than as a replacement, for traditional forms of aid.[15]

Although the countries of the Atlantic Basin have played an important role in financing the Millennium Development Goals, the financial resources mobilized have remained insufficient to achieve these goals in numerous African countries. The Atlantic community should be more directly involved because instability in some African countries can constitute a threat to global security and prosperity, while a prosperous African continent offers abundant economic opportunities. In fact, the average growth rate in Africa in 2013 was equivalent to approximately 4 percent — 5 percent if sub-Saharan Africa is considered exclusively — and 6.1 percent and 6.8 percent, respectively, when South Africa is excluded from Africa and sub-Saharan Africa.[16] The Atlantic African countries[17] comprise more than half of the continent's GDP, with numerous resource-rich countries (such as Angola and Gabon), fast-growing countries (such as Congo and Nigeria), and economically diverse countries (such as South Africa and Morocco). A prosperous Africa represents a plethora of tremendous economic opportunities for countries in the Atlantic community.

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Challenges faced by African countries are also threatening global security and stability, including through illegal migration, drug trafficking, terrorism, piracy, global health issues such as pandemics, and country-specific political risks. If most of the relevant actors (African countries and regional organizations, developed countries, developing countries, international institutions, and key stakeholders, including the private sector, civil society organizations, think tanks, and research centers) take the appropriate courses of action, positive change can occur, resulting in improved capacity building, efficient resource mobilization, successful implementation of goals, and shared

[14] Navin Girishankar, "Innovating Development Finance: From Financing Sources to Financial Solutions," *World Bank Policy Research Working Paper,* no. 5111 (2009): 3-4, http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-5111.

[15] Mina Baliamoune-Lutz, "ODA and the Quest for Innovative Sources of Financing Development," *Robert Schuman Centre for Advanced Studies Policy Paper*, no. 2013/06 (2013): 9, http://cadmus.eui.eu/bitstream/handle/1814/27497/RSCAS_PP_2013_06.pdf?sequence=1.

[16] African Development Bank, OECD, and UNDP, *African Economic Outlook 2014: Global Value Chains and Africa's Industrialisation* (Tunis: African Development Bank, 2014), http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2014/PDF/E-Book_African_Economic_Outlook_2014.pdf.

[17] Angola, Benin, Cameroon, Cape Verde, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mauritania, Morocco, Namibia, Nigeria, Republic of the Congo, São Tome and Principe, Senegal, Sierra Leone, South Africa, and Togo.

Special attention should be given to tax reform, private sector promotion, goals and metric monitoring, capacity building, and efficient coordination between actors.

prosperity. The post-2015 development agenda provides actors in the Atlantic Basin the unique opportunity to address previous limitations in order to secure enough resources and to fully implement the new goals. Special attention should be given to tax reform, private sector promotion, goals and metric monitoring, capacity building, and efficient coordination between actors, as further explained below.

African Countries: Creating Conditions for Resource Mobilization

African countries bear the primary responsibility of resource mobilization. Throughout the past century, weak institutional capacity and limited accountability, combined with poor management and misuse of financial resources, have damaged relations between African governments and donors. Although the situation improved in the beginning of the 21st century, conditions in many countries are not yet conducive to enable a great increase of capital flows and foreign direct investment (FDI). In order to overcome these barriers and secure enough external and domestic resources, African countries should rebuild trust in government among citizens, donors, and the private sector by strengthening the financial management capacity of the state and creating effective public administration, improving domestic tax collection systems, promoting private sector development, creating a market-friendly environment, reinforcing sub-regional and regional integration, and expanding the banking sector.

Strengthening the Financial Management Capacity of the State and Creating Effective Public Administration

Countries need to implement public management reforms to ensure that governments are catalytic, community owned, competitive, mission driven, results oriented, customer focused, enterprising, anticipatory, decentralized, and market oriented.[18] Although each country should develop its own trajectory toward reform, they should learn from successful and unsuccessful peer experiences. Inefficient government and public administration results in mistrust of donors or investors, while also reducing the effectiveness of funding intended to implement the post-2015 development agenda. Special attention to failed, weak, fragile, and post-conflict states is needed in order to rebuild basic financial management capacity and the ability to deliver basic services.

Moreover, African countries should increase standards of accountable governance and equitable redistribution of public resources in order to prevent domestic conflicts (e.g., Boko Haram in Nigeria and rebel groups in Central African Republic) resulting from ineffective, clientelist, and self-serving management of public funding, thereby preserving their resources for the post-2015 development agenda. Countries ranked lowest for their budget transparency tend to be those that have low income, authoritarian regimes, and that are dependent on aid and resource rents. Data from the Open Budget Survey[19] — which examines budget transparency, participation, and oversight — show that change is possible and is driven by both internal and external actors.[20] In Angola, the insistence on transparency from international institutions through the heavily indebted poor

[18] Ted Gaebler and David Osborne, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector* (Reading, MA: Addison-Wesley Publishing Co., 1992).

[19] The International Budget Partnership administrated the Open Budget Survey biannually between 2006 and 2012, measuring budget transparency and accountability in 100 countries. For more information, see www.survey.internationalbudget.org/#download.

[20] Countries such as Angola, Democratic Republic of Congo, Liberia, and Rwanda have made significant progress.

countries (HIPC) initiative[21] translated into more budget information becoming publicly available. In Rwanda, technical assistance from international agencies contributed to more available budget data.[22]

In all cases, clear, consistent, and actionable plans are required to implement reforms successfully. Countries should take the responsibility of developing local and national development frameworks, such as the NEEDS (National Economic Empowerment Development Strategy) framework in Nigeria, which encourages investment and provides a path for economic divestment.[23]

Urban-rural divides can present particular challenges with regards to domestic resource mobilization. Countries should attempt to promote the utilization of the formal financial sector, including bringing assets held in the informal sector, such as livestock, into the formal financial system; developing accessible financial products at varying consumption levels; and bridging the gap between the informal and formal financial sector by insuring deposits and expanding the use of technology.[24]

Improving Domestic Tax Collection Systems

A major determinant of increased domestic resource mobilization is a country's ability to collect taxes. Countries should continue their tax collection reform efforts, particularly by investing in human and technological capital. Collaborating with international institutions, such as "Tax Inspectors Without Borders" can be helpful in facilitating knowledge transfer,[25] while automation can reduce the potential for graft[26] and improve the depth of collection efforts.[27] Countries should also work to simplify existing tax structures. For example, adopting a single Value Added Tax (VAT) or Goods and Services Tax (GST), such as in Sierra Leone, can simplify tax collection and create a more predictable market environment.[28]

More broadly, countries should seek to expand the share of the tax mix comprised of property taxes, particularly in urban areas, since Africa's urban population is expected to increase from 294 million to 742 million between 2000 and 2030.[29] Additionally, concessions granted to corporations

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[21] The HIPC Initiative is a comprehensive debt relief strategy launched by the IMF and the World Bank in 1996 to reduce to a sustainable level the external debt of countries with high levels of poverty and unsustainable debt burdens. As of March 2015, 35 out of the 39 eligible countries received full debt relief.

[22] Paolo De Renzio and Harika Masud, "Measuring and Promoting Budget Transparency: The Open Budget Index as a Research and Advocacy Tool," *Governance*, vol. 24, no. 3 (July 2011): 607-16.

[23] See, for example, Riku Elovainio and David B. Evans, "Raising and Spending Domestic Money for Health," *Centre for Global Health Working Group Papers: Working Group on Financing Paper,* no. 2 (May 2013), http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Global%20Health/0513_healthfinance.pdf; Esther Olufunmilayo Adegbite and Kehinde Adekunle Adetiloye, "Financial Globalisation and Domestic Investment in Developing Countries: Evidence from Nigeria," *Mediterranean Journal of Social Sciences*, vol. 4, no. 6 (2013): 213; Samuel Gambo Joshua, Okpanachi Joshua, and Danpome Gosele Moses, "Rural Savings Institutions and Economic Empowerment in Nigeria: An Analysis," *International Journal of Arts and Commerce*, vol. 2, no. 3 (2013): 72; and Albert T. Akume and Yahaya M. Abdullahi, "NEPAD and Governance Question in Nigeria: Progress and Challenges," *Journal of Research in National Development*, vol. 10, no. 3 (2013): 240.

[24] Samuel K. Gayi, "Mobilizing Domestic Financial Resources for Africa's Development," *African Technology Development Forum Journal*, vol. 4, no. 4 (March 2008): 36-51, http://www.atdforum.org/IMG/pdf__Mobilizing_domestic_resources_Gayi.pdf.

[25] OECD, *Final Report on the Feasibility Study into the Tax Inspectors Without Borders Initiative* (Paris: June 2013), 27, http://www.oecd.org/tax/tax-global/TIWB_feasibility_study.pdf.

[26] Gayi, 46.

[27] Alex Mubiru, "Domestic Resource Mobilisation Across Africa: Trends, Challenges, and Policy Options," *African Development Bank Committee of Ten Policy Brief*, no. 2 (October 2010): 4, http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/C-10%20Note%202%20English%20(final)_for%20posting%202.pdf.

[28] Elovainio and Evans, 7.

[29] Mubiru, 5.

Countries should seek to reverse some of the harms of capital flight by offering a period of amnesty for those who relocate their assets back to the country of origin, regardless of whether the capital was obtained or transferred illegally.

to attract investment should be revoked, because they are hard to renegotiate and prone to benefit special interests at the expense of new investment projects. For example, in 2005, 55 percent of total tax revenue was lost in Burundi due to tax exemptions.[30] Eliminating subsidies, particularly in the energy sector, can enable resources to flow to the most beneficial development projects.

Promoting Private Sector Development

Greater private sector engagement does not serve citizens without the development of robust institutions. Countries should engage in substantive governance reforms to encourage greater transparency and accountability.[31] Recommendations include building on existing processes and mechanisms, establishing benchmarks, following up, and producing written reports addressing national and international stakeholders. In particular, countries should ensure that FDI inflows promote domestic industry by encouraging the development of linkages between sources of FDI and local component manufacturers. For example, South Africa created the Motor Industry Development Program in 1995, seeking to link the assembly plants of BMW, Daimler Chrysler, Volkswagen, Toyota, and Renault to local auto component producers.[32]

Creating a Market-Friendly Environment

Attracting investment requires a broad commitment to institutional development. Countries should make substantive reforms to judicial systems in order to enable more effective enforcement of regulations and property rights. Reforms reduce the risk associated with transacting with smaller enterprises and increases access to credit. Reforms would also combat the excessive liquidity of African banks caused by perception of high risk and low opportunity.[33] Ultimately, when countries promote greater intellectual property rights, it encourages innovation, research and development, and e-commerce.[34]

Countries should seek to reverse some of the harms of capital flight by offering a period of amnesty for those who relocate their assets back to the country of origin, regardless of whether the capital was obtained or transferred illegally.[35] For example, in an attempt to boost the Dirham, strengthen foreign reserves, and mobilize resources for the state budget in 2014, Morocco granted amnesty to all involved in capital flight if accountholders paid a one-time fee and repatriated assets to Moroccan banks. Similarly, in 2004, South Africa collected over 2 billion rand (roughly $310 million in 2004 dollars) in revenue from an amnesty period, which provided those found guilty of illegally transferring capital out of the country an opportunity to pay a 5 percent fine or 10 percent fine, depending on whether or not they returned their assets to the country.[36]

For businesses, the lack of a mutually beneficial relationship with the state is often the result of

[30] Gayi, 46.

[31] United Nations, *The Road to Dignity by 2030*.

[32] Frank Flatters, "The Economics of MIDP and the South African Motor Industry," paper presented at TIPS/NEDLAC South Africa Trade and Poverty Programme (SATPP) Policy Dialogue Workshop, Johannesburg, November 2, 2005, 1, http://qed.econ.queensu.ca/pub/faculty/flatters/writings/ff_economics_of_midp.pdf.

[33] Karim Dahou, Ismael Omar Haibado, and Mike Pfister, "Deepening African Financial Markets for Growth and Investment," paper distributed at the Ministerial and Expert Roundtable of the NEPAD-OECD Africa Investment Initiative, November 11-12, 2009, 32, http://www.oecd.org/development/investment-fordevelopment/43966839.pdf.

[34] African Union, "Common African Position (CAP) on the Post-2015 Development Agenda," January 31, 2014, 8, http://www.w.gwopa.org/es/system/files/documents/urbangateway/common_african_position-_eng_final.pdf.

[35] Gayi, 47.

[36] Mohamed Seeraj, "Why Another Amnesty for Illegal Capital Flight?" *Engineering News*, September 17, 2010, http://www.engineeringnews.co.za/article/why-another-amnesty-for-illegal-capital-flight-2010-09-17.

overcomplicated procedures. Countries should seek to increase the volume of tax payments from smaller enterprises, particularly those currently in the informal sector, by reducing the barriers to incorporation and providing incentives, such as legal title to assets.[37] For example, in Uganda and Zambia, these barriers include corruption and bureaucracy; in Togo, complex registration processes hinder participation.[38] Complicated procedures are particularly problematic in the globalized economy. Countries should reduce trade supply chain barriers by simplifying border administration and investing in transport and communications infrastructure in order to take advantage of preferential treatment afforded to developing nations under the 2013 Bali Package. Basic reforms would enable increases in exports and imports amounting to 63 percent and 55 percent, respectively.[39]

Reinforcing Sub-Regional and Regional Integration

Often, impoverished states attempt to compete by undercutting their neighbors. While healthy competition is valuable, the creation of development incentives should not drag down neighboring nations. Countries should work together to agree on unified incentive policies for development. Preventing a subsidy or tax holiday "race to the bottom" is crucial for least developed countries, who may have little left to compete with.[40] Countries should continue to reduce trade tariffs to encourage more diverse economic integration and trade.[41]

Expanding the Banking Sector

Lack of access to financing is a major factor in constraining growth of domestic industries. Countries should direct ODA into expanding telecommunications infrastructure, which is crucial to expanding access to finance for small and medium-sized enterprises,[42] but additionally reduces transaction costs for all parties. Governments should also incentivize local social security, pension funds, and insurance companies to invest in local bonds for infrastructure development. The development of bonds to be sold on international capital markets could also prove effective. Bonds are an attractive prospect to investors, since they have low barriers to entry or exit compared to FDI.[43] Moreover, a robust bond program can reduce dependence on aid, grants, or outside guarantees.[44] For example, in Côte d'Ivoire, the investment rate has increased from a rate of 8 percent of GDP during the country's recent civil war to 16.5 percent this year, in part due to a successful issue of a $750 million Eurobond in July 2014. In 2015, the country is looking to raise around $1 billion through sovereign bonds on international capital markets, with the share of

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[37] Gayi, 45.

[38] Mubiru, 4.

[39] Cattaneo et al., "Joining, Upgrading, and Being Competitive in Global Value Chains: A Strategic Framework," *World Bank Policy Research Working Paper,* no. 6406 (April 2013), http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-6406.

[40] Peter Nunnenkamp and Thiele Rainer, "Financing for Development: The Gap between Words and Deeds since Monterrey," *Development Policy Review*, vol. 31, no. 1 (January 2013): 75–98; and Odd-Helge Fjeldstad, "Taxation and Development: A Review of Donor Support to Strengthen Tax Systems in Developing Countries," *World Institute for Development Economics Research Working Paper,* no. 2013/010 (2013), https://www.econstor.eu/dspace/bitstream/10419/80886/1/736072497.pdf.

[41] Mubiru, 6.

[42] United Nations, *The Road to Dignity by 2030.*

[43] Dahou, Haibado, and Pfister, 32.

[44] Yibin Mu, Peter Phelps, and Janet Gale Stotsky, "Bond Markets in Africa," *International Monetary Fund Working Paper,* no. 13/12, (January 2013), https://www.imf.org/external/pubs/ft/wp/2013/wp1312.pdf.

Developed countries should continue their efforts to reach or exceed the 0.7 percent of gross national income (GNI) aid target as soon as possible or redefine the goals to ensure that they are realistic, and then successfully implement them.

investment expected to rise to 30 percent of GDP in the medium-term.[45]

Non-traditional forms of banking and finance are increasingly prevalent across Africa. Greater effort is needed to harness these mechanisms. For example, countries should encourage microfinance institutions to become part of the formal financial system, particularly so they can scale up operations and be integrated with tax collection systems, but also so that they can provide services to more individuals.[46] African governments should issue diaspora bonds to finance long-term infrastructure development projects and tap into the large population of overseas migrants. For example, Burundi was able to mobilize $1.5 million in the first year of a pilot program.[47] Countries should enable banks to offer foreign currency accounts to residents, which would reduce transaction costs for remittances and insulate account holders from domestic currency shocks.[48]

"North-South" Cooperation: Resource Mobilization through Multiple Channels

"North-South" cooperation remains a key axis for external resource mobilization to finance the post-2015 development agenda in Africa. The United States, the United Kingdom, and France remain the largest donors to the African continent, contributing $9.1 billion, $4.1 billion, and $3.4 billion respectively.[49] Commitments from European countries, which make up a large share of ODA, are projected to decline substantially, with 2015 levels not reaching the peak contribution level in 2010. However, funds from European Development Finance Institutions (EDFI) are likely to continue to increase.[50] In 2001, EDFIs invested just over $2 billion in the continent, while in 2012, investment increased to over $8 billion. EFDIs are an excellent opportunity for countries to diversify their ODA contributions, as they act as catalysts for private sector investment.[51]

Official Development Assistance (ODA)

Developed countries should continue their efforts to reach or exceed the 0.7 percent of gross national income (GNI) aid target as soon as possible or redefine the goals to ensure that they are realistic, and then successfully implement them.[52] The credibility of the ODA goal originally articulated in 1969 — 0.7 percent of GNI from developed countries — has been an issue for years. It was not until 2009 that aid flows began to rise substantially, and even then the increase was almost exclusively limited to the EU member states, which together reached an average of 0.42 percent in 2009.[53] According to the DAC, the doubling of official aid by 2010 promised in 2005 at the Gleneagles summit was actually $21 billion short.[54] Nonetheless, the World Bank remarks that ODA, when evaluated per capita, has been maintained, if not increased, to least developed countries.[55] In fragile states, ODA

[45] "Côte d'Ivoire Set to Raise $1bn Sovereign Bond Next Year," *Emerging Markets,* November 10, 2014, http://www.emerging-markets.org/Article/3389509/Cte-dIvoire-set-to-raise-1bn-sovereign-bond-next-year.html.

[46] Dahou, Haibado, and Pfister, 23.

[47] Gayi, 46.

[48] Ibid.

[49] African Development Bank, OECD, and UNDP, 62.

[50] Ibid., 63.

[51] Ibid., 63.

[52] United Nations, *The Road to Dignity by 2030*, 29.

[53] Nunnenkamp and Rainer.

[54] Demba Moussa Dembele, "Africa's Developmental Impasse: Some Perspectives and Recommendations," *Africa Development*, vol. 37, no. 4 (2012): 190, http://www.ajol.info/index.php/ad/article/view/87489/77171.

[55] World Bank, *Financing for Development Post-2015* (Washington, DC: World Bank, October 2013):15, https://www.worldbank.org/content/dam/Worldbank/document/Poverty%20documents/WB-PREM%20financing-for-development-pub-10-11-13web.pdf.

comprises 40 percent of total financial flows.[56] Regardless, the World Bank notes that ODA increases are unlikely, reaching only 0.29 percent of GNI in 2013 (projected), far short of the agreed-upon goal.[57]

Developed countries should target ODA, a declining resource, so recipients can utilize it as efficiently as possible. Developed countries should focus on financing global public goods using ODA flows, for example promoting greater climate change-related ODA in African regions affected by droughts. Countries should more closely align and target ODA to domestic priorities. For example, ensuring that ODA develops domestic capacity in tax collection would provide a greater return on investment. ODA should allow recipient countries to build capacity and move toward utilizing domestic resources as soon as possible.[58] Aid should be utilized as a means to an end, not as an end in itself, particularly in the context of government capacity.[59] Developed countries should continue to support multilateral development banks and institutions, such as the African Development Bank, that offer credit guarantees and innovative financing mechanisms, since they are insulated from political interference and better enable developing nations to finance immediate needs.[60]

[56] Ibid., 16.

[57] Ibid., 17.

[58] Jeffrey D. Sachs and Guido Schmidt-Traub, "Financing for Development and Climate Change Post-2015," background paper prepared for the HLP on the Post-2015 Development Agenda, March 16, 2013, 8, http://unsdsn.org/wp-content/uploads/2014/02/130316-Development-and-Climate-Finance.pdf; and Vanessa K. Snoddy, *The New Partnership for Africa's Development (NEPAD): Will It Succeed or Fail?* (Carlisle Barracks, PA: U.S Army War College, 2005): 8, http://www.dtic.mil/cgi-bin/GetTRDoc?Location=U2&doc=GetTRDoc.pdf&AD=ADA431749.

[59] Baliamoune-Lutz, 9.

[60] World Bank, *Financing for Development Post-2015*, 25.

Private Sector Flows

Developed countries should encourage corporations to integrate developing countries into global value chains, even though many developing nations lack full domestic capacity. Globalization has enabled countries to participate in the international production network without full upstream capability being present in domestic industry. For example Morocco, Egypt, and South Africa act as vehicle manufacturing hubs for international car companies.[61]

Financial Transactions Tax (FTT) and Solidarity Mechanisms

Countries should further explore innovative financing mechanisms to offset declining political will to provide ODA. For example, countries within the European Union should work to ratify an EU-wide financial transactions tax to be used for development assistance, enabling all countries to contribute proportionally, reducing financial instability across the EU while simultaneously contributing approximately €200 billion per year, which could be contributed toward development goals.[62] In a similar vein, developed countries should implement surcharges on such items as fuel consumption, institute airline travel levies, and establish lotteries for development financing, as is done in Belgium and France.[63]

Ensuring Aid Effectiveness

DAC countries have a role in ensuring that aid is effective. There are a variety of ways countries can do this: for one, they can make aid contingent upon the results of governance reforms (as recommended by the NEPAD Secretariat), insist on robust monitoring programs, or offer loan guarantees (as

[61] African Development Bank, OECD, and UNDP, 142.

[62] Nunnenkamp and Rainer, 11; and World Bank, *Financing for Development Post-2015*, 25.

[63] Girishankar, 3-4.

Aid should be utilized as a means to an end, not as an end in itself, particularly in the context of government capacity.

BRICS countries should work within new institutions for "South-South" cooperation, such as the New Development Bank and Asian Infrastructure Investment Bank, and increase their foreign aid assistance.

explained above). Without contingencies, aid can perversely reduce the impetus to develop robust institutions, to the detriment of the recipient country.[64] For example, Nunnenkamp and Rainer cite the Millennium Challenge Corporation (MCC), which rewarded countries that scored better on efforts to eradicate corruption than other applicants.[65]

"South-South" Cooperation: Strengthening Relationships

Although "South-South" cooperation is not a new concept — the G77 and ACP already exist — the renewed interests of emerging countries such as China, India, and Brazil, but also African countries such as South Africa and Morocco, are providing the African continent with a unique opportunity to secure additional resources for the post-2015 development agenda. According to Sanoussi Bilal, the estimated Absolute Foreign Aid Assistance provided in 2010 was $3.9 billion for China, $680 million for India, $472 million for Russia, more than $400 million for Brazil, and $143 million for South Africa. BRICS, advanced developing countries, and non-DAC donors should strengthen their relationships with African countries and mobilize additional resources.[66]

BRICS, Advanced Developing Countries, and Non-DAC Donors

New development donors have a large role to play in ensuring Africa achieves the SDGs. BRICS countries should work within new institutions for "South-South" cooperation, such as the New Development Bank and Asian Infrastructure Investment Bank,[67] and increase their foreign aid assistance. Non-DAC and BRICS countries should continue working with existing entities, such as the Office of the Special Advisor on Africa (OSAA). Non-DAC and BRICS countries should support the development and implementation of international standards for sustainable development, including funding initiatives and the formation of policy options favorable to Africa. For example, the Export-Import Bank of China has funded projects that other actors refused to fund due to environmental concerns, while supporting extractive industries and allegedly corrupt regimes.[68] Greater commitment to enabling "ownership and alignment" of aid by recipient countries is required on the part of non-DAC countries,[69] particularly in the context of government choice.

International Institutions: Supporting Realistic and Measurable Goals

The OECD, DAC, and international financial institutions, especially the World Bank and the International Monetary Fund, continue to play a key role in mobilizing resources for the post-2015 development agenda in Africa. From providing products and services to working with countries to set goals and metrics, international institutions are key links to the development process. Successful achievement of the SDGs within Africa requires

[64] Baliamoune-Lutz, 9.

[65] Nunnenkamp and Rainer.

[66] Sanoussi Bilal, "What is the Rise of South-South Relations About? Development, Not Aid," *Mondiaal Nieuws Papers*, no. 70 (September 2012), http://ecdpm.org/wp-content/uploads/2013/10/What-is-Rise-South-South-Relations-about-Development-not-Aid-Bilal.pdf.

[67] United Nations, *The Road to Dignity by 2030*, 26.

[68] Austin Strange, Bradley Parks, Michael J. Tierney, Andreas Fuchs, Axel Dreher, and Vijaya Ramachandran, "China's Development Finance to Africa: A Media-Based Approach to Data Collection," *Center for Global Development Working Paper,* no. 323 (April 2013), http://www.cgdev.org/sites/default/files/chinese-development-finance-africa.pdf.

[69] Romily Greenhill, Annalisa Prizzon, and Andrew Rogerson, "The Age of Choice: Developing Countries in the New Aid Landscape," *Overseas Development Institute Working Paper,* no. 364 (January 2013): 27, http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8188.pdf.

these institutions to be adaptable to the needs of developing countries.

Products and Services

International financial institutions should provide better-tailored, well-integrated, multi-level, and cross-sectoral high-impact financial products and services — such as low-interest loans, interest-free credits, grants, guarantees, debt relief, private equity, and investment funds — that best meet the specific needs of the poorest countries, post-conflict and fragile states, and middle-income countries (including projects on regional infrastructure integration, public administration, human development, agriculture, and inclusion of vulnerable groups).

Goals and Metrics

Institutions should continue to support clear goals and metrics in order to better measure progress and encourage more output-based aid. Attention should be paid to measuring aid inflow from non-traditional donors, such as non-DAC countries or private sources.[70]

Goals and metrics should be developed as inclusively as possible, both by the countries that will implement them and by international institutions. From an endogenous perspective, Baliamoune-Lutz cites programs such as the African Monitor and those provided by the Association of European Parliamentarians with Africa (AWEPA) as being specific to the challenges and needs of African countries.[71] From an exogenous perspective, tools developed by international institutions would provide a comparative and global perspective to African countries.

International organizations should act as a connector between the needs of countries and donors. Given the rise of non-DAC donors, Baliamoune-Lutz recommends a market-based system where countries can offer project proposals, enabling them to choose from various donors and forms of aid based on their specific needs.[72] The DAC should establish common reporting requirements for creditors and donors in order to monitor and evaluate progress more effectively.[73]

Financial Assistance

International institutions should increase funding to regional bodies, in particular the African Union (AU), which needs external financial assistance to operate at full capacity. Currently, the AU is unable to administer programs such as NEPAD because it is understaffed and inefficient.[74] For example, NEPAD regional infrastructure projects that would have facilitated trade among countries and fostered economic growth were not successfully implemented due to insufficient resources.

At the national level, international institutions should offer guarantees rather than direct funding to mitigate the increased perception of risk that stymies private sector involvement in infrastructure development. For example, the World Bank was able to utilize $41.5 million of international funding to provide a $166 million guarantee, which ultimately enabled the government of Kenya to

International institutions should increase funding to regional bodies, in particular the African Union (AU), which needs external financial assistance to operate at full capacity.

[70] Romilly Greenhill and Annalisa Prizzon, "Who Foots the Bill after 2015? What New Trends in Development Finance Mean for the Post-MDGs," *Overseas Development Institute Working Paper,* no. 360, (2012): 23, http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7905.pdf.

[71] Baliamoune-Lutz, 8.

[72] Ibid.

[73] Nancy Birdsall, "Seven Deadly Sins: Reflections on Donor Failings," *Center for Global Development Working Paper,* no. 50 (2004): 22, http://www.cgdev.org/sites/default/files/2737_file_WP50_rev12_05_2.pdf; and Baliamoune-Lutz.

[74] Chris Landsberg, "The African Union and the New Partnership for Africa's Development (NEPAD): Restoring a Relationship Challenged?" *African Journal on Conflict Resolution*, vol. 12, no. 2 (2012): 61

Civil Society Organizations (CSOs) can be instrumental to policy design and formulation, and should be heavily involved in the process, because they can provide details about bottom-up needs necessary for success, such as required resources to meet local imperatives.

access $623 million in credit to finance projects in the energy sector.[75] In addition, greater provision of debt relief, which is intended to reduce interest and principal payments so resources can be spent on development programs, is crucial for many highly indebted countries. At a minimum, developed countries and international financial institutions should continue to commit to relieving the debt of countries that have yet to qualify under the HIPC initiative.[76]

Finally, international institutions should not ignore their role in helping to develop human capital. For example, institutions should expand programs that facilitate knowledge transfer and build capacity. "Tax Inspectors Without Borders" has been an effective pilot initiative, enabling domestic resources to be mobilized by establishing positive norms and best practices.[77]

Key Stakeholders

Although numerous additional actors can substantially contribute to successful resource mobilization on the continent, three are of particular interest for the purposes of this paper: citizens, the private sector, and think tanks/research centers.

Citizens & Civil Society Organizations

Citizens should contribute to domestic resource mobilization by being responsible taxpayers (the upper and middle classes). They should ensure the transparent management and vertical accountability of their government by fully participating in their countries' livelihood, electoral processes, and by favoring candidates strongly committed to the prevention of the misuse of both domestic and external resources, such as Ory Okolloh's Ushahidi program in Kenya or other open government initiatives.

Civil Society Organizations (CSOs) can be instrumental to policy design and formulation, and should be heavily involved in the process, because they can provide details about bottom-up needs necessary for success, such as required resources to meet local imperatives. Moreover, it is essential that small, oft-marginalized groups participate; otherwise their interests will be ignored. For example, in Tanzania, the Gender Network Program brought together women and government finance officials to create policy that better addressed their collective needs.[78] CSOs should utilize their flexibility and agility to be responsive to local requirements, rather than relying on government. For example, the Rehabilitation of Arid Environments Trust in Kenya enabled the restoration of grasslands by installing electric fences that divided the areas into communal and private fields, ultimately resulting in increased agricultural productivity. Additionally, CSOs should be active participants in service delivery. In Thailand, CSOs helped reduce the incidence of HIV/AIDS by forming a national coalition and coordinating their efforts. With the promise of a coordinated CSO framework, the Thai government was willing to contribute funding in 1992 that caused rates of HIV prevalence among new army conscripts to decline from 7 percent to less than 1.5 percent between 1992 and 2002.[79]

[75] World Bank, *Financing for Development Post-2015*, 21.

[76] World Bank, *Financing for Development Post-2015*, 16.

[77] OECD Taskforce on Tax and Development, *Final Report on the Feasibility Study into the Tax Inspectors Without Borders Initiative* (June 2013), 27, http://www.oecd.org/tax/tax-global/TIWB_feasibility_study.pdf.

[78] UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals: Report to the UN Secretary-General* (London: UN Development Programme, 2005): 129, http://www.unmillenniumproject.org/documents/MainReportComplete-lowres.pdf.

[79] Ibid., 131.

Private Sector Contributions

National and multinational corporations should be responsible taxpayers rather than utilizing fiscal arrangements or corrupting governments to prevent or evade tax contributions. Multinationals should favor local suppliers and producers when conducting business in Africa, such as using local franchise models to overcome barriers posed by poor infrastructure (as Coca Cola does).[80] Firms should help create solutions that can overcome the lack of infrastructure in the region. For example, the Namibian ministry of health and social services was able to partner with the United Africa Group to ensure delivery of pensions and grants to rural beneficiaries, a prime example of a successful public-private partnership. Its automated network of ATMs required little staff and was highly efficient.[81]

Such engagement with development priorities can also be advantageous for corporations. Firms should harness the opportunity to be socially responsible and transparent as part of their business strategies, such as by explaining to consumers how production processes advance development goals (prime examples include Vodafone, Unilever, and Microsoft).[82] Firms should capitalize on the benefits of positive community engagement. Business leaders that recognize the importance of a corporate philosophy of "giving something back" and "doing good" can reap rewards of improved satisfaction and worker productivity.[83] Corporations should engage in the development of public-private partnerships to overcome the difficulty of operating in markets where profits would otherwise be too low. For example, in order better to electrify parts of rural Chile, in 1994 the Chilean government financed infrastructure through competitive subsidies in order to ensure development, but relied on the private sector to deliver services.[84]

Corporate social responsibility (CSR) is most directly observable within the corporate hierarchy. Private sector entities should fund employee wellness campaigns that address major health issues. For example, Anglo American introduced an HIV testing and treatment program for employees and their families that resulted in a reduction in worker absenteeism.[85] Such programs also contribute to broader public health goals within the region. Corporations should endorse and pledge to adhere to international standards for worker and human rights, such as the 2000 UN Global Compact, regardless of the presence of less restrictive country-level guidelines.[86]

Companies can also contribute to the broader goals of development organizations by providing valuable data and feedback. Companies should publicly provide information about their contributions to national development and better adhere to international reporting standards so rates of private sector development can be measured by governments, international donors, NGOs, and citizens. Companies should participate in efforts to harmonize CSR standards, such as those by the International Integrated Reporting Council (IIRC).[87]

National and multinational corporations should be responsible taxpayers rather than utilizing fiscal arrangements or corrupting governments to prevent or evade tax contributions.

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[80] Paula Lucci, "Post-2015 MDGs: What Role for Business?" *Overseas Development Institute Working Paper* (June 2012): 7, http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7702.pdf.

[81] UN Millennium Project, *Investing in Development*, 141.

[82] Lucci, 2.

[83] Ibid., 6.

[84] UN Millennium Project, *Investing in Development*, 140.

[85] Lucci, 7.

[86] UN Millennium Project, *Investing in Development*, 142.

[87] Callan, Margaret. "What Do We Know about Private Sector Contributions to Development?," *DevPolicyBlog, Development Policy Centre*, January 10, 2012, http://devpolicy.org/what-do-we-know-about-private-sector-contributions-to-development20120110/; and Lucci, 9-10.

Researchers should focus on developing metrics for evaluating country-specific performance and providing decision-makers with policy options and innovative solutions to the most pressing problems.

Firms can also be proactive participants in development by reaffirming their commitment to free, fair, and open markets. Companies should take public stances on fighting corruption by refusing to pay bribes and being as transparent as possible. For example, companies should publish the taxes they pay so that citizens can hold governments accountable for how they use revenues.[88] One successful example of such a private-sector-run program is the Extractive Industries Transparency Initiative (EITI).[89]

Finally, businesses should not be overlooked as entities that can shape the development agenda. Firms should help form and participate in sector-level associations that can help unify development efforts by proposing policies, pledging funds, or backing initiatives. Companies have the potential to benefit by increased access to supply chain partners and greater access to markets.

Think Tanks and Research Centers

The role of researchers and think tanks is increasingly relevant following the lackluster performance of the MDGs in Africa. Researchers should focus on developing metrics for evaluating country-specific performance and providing decision-makers with policy options and innovative solutions to the most pressing problems. Think tanks should mediate the relationship between government and citizens in order to build a strong civil society through independently informing policy debates and evaluating ongoing policy proposals.[90]

Research centers should engage in outreach to increase public awareness of policy issues, which results in a more informed and educated electorate and greater general public understanding.[91] Think tanks and research centers should take on the role of research and development, relying on country-level operations to interface laterally with developed countries. For example, product development partnerships such as the European and Development Country Clinical Trial Partnership focused on strengthening capacity while simultaneously driving research and development.[92]

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88 UN Millennium Project, *Investing in Development*, 143.

89 Lucci, 6.

90 James G. McGann, "Think Tanks and Policy Advice in the U.S.," *Foreign Policy Research Institute* (August 2005): 3, http://www.kas.de/wf/doc/kas_7042-1522-1-30.pdf?050810140439.

91 Ibid.

92 PATH, *The Role of Research and Innovation for Health in the Post-2015 Development Agenda Bridging the Divide Between the Richest and Poorest Within a Generation* (Washington, DC: COHRED, Global Health Technologies Coalition, International AIDS Vaccine Initiative, and PATH, 2014): 9, http://www.ghtcoalition.org/files/GHTC_post_2015_paper_SEPT2014.pdf.

4 Conclusion: Sustaining External Resources and Increasing Domestic Resource Mobilization

Despite important progress made by numerous countries, Africa will not be able to achieve the MDGs fully by the end of 2015, partly due to the inability to mobilize sufficient financial resources to achieve these ambitious goals. Prospects for the post-2015 development agenda remain uncertain. While a prosperous Africa would generate economic opportunities and contribute to a shared Atlantic and global prosperity, challenges faced by some African countries are also likely to threaten Atlantic and global security and stability (illegal migration, drug trafficking, terrorism, piracy, global health issues, country risks, etc.). While African leaders will continue to work toward growing external and private sources of development finance with the help of countries surrounding the Atlantic Basin, the consistency and regularity of these funds are uncertain as contingent factors (economic and financial crises, war against terrorism, health and environmental issues, etc.) may reduce these resources initially intended for Africa. Created in 2001, NEPAD endorsed the MDGs and developed a resource mobilization strategy (an estimated $64 billion per year) based on the Capital Flow Initiative and the Market Access Initiative. Initially well-received, international interest in sufficiently funding the NEPAD Capital Flow Initiative quickly decreased after major geopolitical changes after September 11, 2001.

The ability to effectively and systematically mobilize domestic resources and efficiently to manage them to achieve development goals remains a key factor necessary for successful implementation of development strategies, including the post-2015 development agenda. Above all, comprehensive, contextual, realistic, and coherent resource mobilization strategies exist and should be adopted by each country, sub-region, and continent, taking into consideration the lessons learned from past failures and successes. International actors, especially from the Atlantic Basin (both from the north and the south) can — and should — play a major role in helping to achieve the financial resource targets necessary for the successful implementation of the post-2015 development agenda.

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