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**STATEMENT DELIVERED BY H. E. MR ERASTUS MWENCHA, DEPUTY
CHAIRPERSON OF THE AFRICAN UNION COMMISSION**

**AT THE HIGH LEVEL AFRICA EVENT ON *AID AS A CATALYST FOR DOMESTIC
RESOURCES MOBILISATION IN AFRICA***

**ON THE MARGINS OF THE THIRD GLOBAL PARTNERSHIP STEERING
COMMITTEE MEETING**

ADDIS ABABA, ETHIOPIA

24 JULY 2013

Excellencies, Distinguished Guest, Ladies and Gentlemen

It is a great honour and privilege for me to address this Africa High Level Africa Event on the margins of the Third Meeting of the Global Partnership Steering Committee starting tomorrow and Friday here in Addis Ababa, Ethiopia. On behalf of the Chairperson of the African Union Commission (AUC) and indeed on my own behalf, I wish to welcome you all to the Headquarters of the African Union (AU).

Please allow me to take this opportunity to express gratitude to the United Nations Development Programme (UNDP) for funding this important High Level Event organised by the AUC and the NEPAD Agency under the auspices of the Africa Platform for Development Effectiveness (APDev). The UNDP has been a dependable and devoted partner to the AU in promoting Africa's sustainable growth and development. I look forward to continued excellent collaboration between the AU and the UNDP.

Let me also thank our distinguished Panellists who agreed to take time off their busy schedules to contribute to the success of this High Level Event by sharing their views on the theme. Your presence here is a reflection of your commitment to the socio-economic advancement of our continent.

Excellencies, Distinguished Guest, Ladies and Gentlemen

The theme of this High Level Event, “*Aid as Catalyst for Domestic Resource Mobilization in Africa*”, - “*Africa Looking Within*” is both timely and relevant.

The year 2013 marks an important milestone for Africa and the Union in pursuing the goal of an integrated, peaceful and prosperous Continent, driven by its own citizens and representing a dynamic force in the global arena. The 50 year Anniversary of the African Union (AU) affords us the opportunity to sharpen our vision which reflects a clear determination that African people are taking full responsibility of their sustainable development and shared growth through own financial, human and institutional resources. This further reinforces *Africa’s Beyond Aid* agenda which is also echoed in the historic 2011 African Consensus and Position on Development Effectiveness.

African Governments have effected reforms and created an enabling environment leading to unprecedented high growth rates. We have witnessed significant progress in governance policies which have resulted in sound macro-economic performance despite current global, financial and economic crisis. To move their economies into the middle-income class, African authorities require a sustained flow of significant amount of financing for the implementation of development programmes at national, regional and continental levels.

A truly sovereign Africa should exude self-reliance and value-driven partnership, not dependence. Therefore, the effective mobilization of requisite domestic resources to finance African-owned programmes and projects is most urgent and of paramount importance. With more determination, Africa is looking more purposefully and decisively inwards to raise requisite resources for stable growth and effective development.

In the next 50 years of the AU, as well as, the second decade of NEPAD, we see more opportunities within for Africa to reduce financial dependency. With domestic private sector at the centre stage, the continent is today the fastest growing region globally and is on the threshold of sustained transformation.

Further, I would like to underscore the need for capacity development, particularly in the area of uncovering illicit financial outflows, including tax evasion, as well as, strengthening African institutions. Given Africa's emerging status as a growth pole, channelling more aid resources to support country and regional DRM efforts is paramount while at the same time halting Illicit financial outflows. This implies the urgent need for assistance to help advance financial and fiscal policy reforms while attending to the capacity dimension. The investment in the requisite capacities forms the bedrock for long-term sustainable development driven by Africa.

Of particular importance would be the need to improve African capacities in tax administration. More ODA should be allocated to strengthening public sector capacities to be able to collect more resources from taxation. This includes capacity building in public financial and public sector policy and administration management. Priority must also be given to revenue collection with a view to reducing corruption in that area. This would go a long way in increasing revenues collected from taxes as the tax base widens due to increased public trust in the system. In the same vein, the strengthening of accountability systems of tax revenue authorities is key to ensure sustainability of resources collected from taxation.

The G8 leaders at their Lough Erne Summit in June 2013 pledged to support developing countries to collect the taxes due to them, and to provide access to the global tax information required. I wish to call upon the G8, G20 and other partnerships

to help deliver on that promise as it is part of the support required to increase domestic resources mobilisation in African countries.

Excellencies, Distinguished Guest, Ladies and Gentlemen

Overall, we must strive to ensure that the available official assistance is used in productive sectors particularly those with potential to raise domestic financial resources and also spur growth.

To conclude, let me thank Your Excellencies, and distinguished ladies and gentlemen, for gracing this High Level Event and I look forward to some exchanges on ideas to mobilise domestic resources for the development of our continent and hope to have fruitful deliberation.

I thank you for your kind attention.