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Leverage own resources, Africa urged

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Business Reporter

AFRICAN countries should mobilise domestic resources and plug illicit financial outflows which are haemorrhaging more than \$50 billion annually if the continent is to develop.

United Nations Economic Commission for Africa (UNECA)Deputy Executive Secretary Dr Abdalla Hamdock said illicit financial outflows and the failure to leverage own resources, choosing rather to rely on aid are hurting the continent's development agenda.

Instead, the continent should aspire to be in a position where it depends on its own resource base, mobilising domestic resources and taking charge of its development agenda.

Addressing journalists at the signing of a Memorandum of Understanding between UNECA and the African Capacity Building Foundation (ACBF) last week, Dr Hamdock said relying on aid only will not take Africa anywhere.

“We should leverage our own resources. Yes we want aid but that should be an add-on. Africa can only develop when its programme for development is based on its own resources. Yes our partners can help but we should depend on our own resources,” said Dr Hamdock.

UNECA estimates that illicit financial flows out of Africa have become a matter of major concern reaching about \$50 billion per annum – a figure approximately double the official development assistance that the continent receives.

Multinational corporates top the list of proponents account for about 60 percent of the illicit financial outflows. This has the effect of depleting the continent's domestic reserves thereby, undercutting the little funding available for development projects.

In the last three decades alone, the continent is estimated to have lost more \$1,4 trillion through illicit financial outflows. This translates to between \$50 billion and \$80 billion annually.

“If Africa arrests that you can imagine how much development could be going on,” said Dr Hamdock.

Generally the pattern of aid to Africa has declined over the last decade also at a time when the continent is pushing for trade more than aid.

“There's now a realisation about the fact that there is need for aid to be mutual with accountability on both sides.

“The lessons that we have learnt is that Africa is more trying to say to our partners that we want to see more trade than aid,” said Dr Hamdock.

The ACBF has spent over \$20 million on various projects in Zimbabwe.

Projects currently underway has so far been financed to the tune of \$1,3 million, according to ACBF Executive Secretary Prof Emmanuel Nnadozie.

ACBF has been supporting local projects and regional integration.

Prof Nnadozie said the ACBF and UNECA partnership is critical.

“The ACBF-ECA partnership was initially signed in 2008 for a three-year period and extended in 2011.

“The extension we are signing today of our partnership covers a wide range of capacity development areas that our two institutions strive to address together,” said Prof Nnadozie.

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