United Nations
Office of the Special Adviser
on Africa

Factsheet

Strengthening the National and International Architectures for FINANCING for DEVELOPMENT

Financing for development is a major challenge for African countries, worsened by:

- global crises
- rising debt, and
- international financial architecture that often marginalises the continent.

As a result, the financing gap for achieving the Sustainable Development Goals (SDGs) and Agenda 2063 is now estimated at $1.6 trillion.

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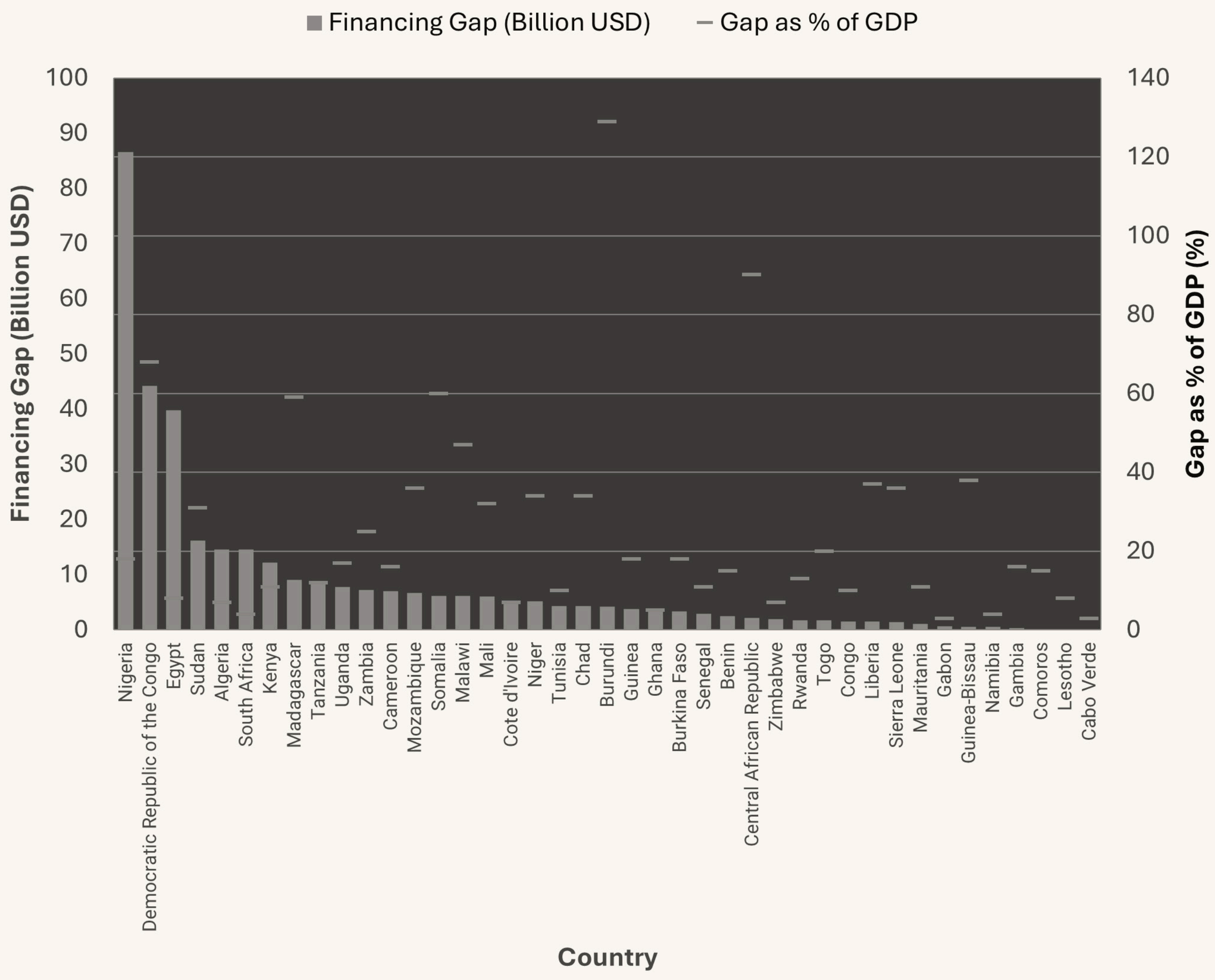

Note: The funding gap applies to selected countries and refers to the shortfall in actual and projected expenditures compared to the public spending needed to achieve the SDGs by 2030.

Source: OSAA staff calculation based on Kharas H & McArthur J (2019) and World Bank World Development Indicators.

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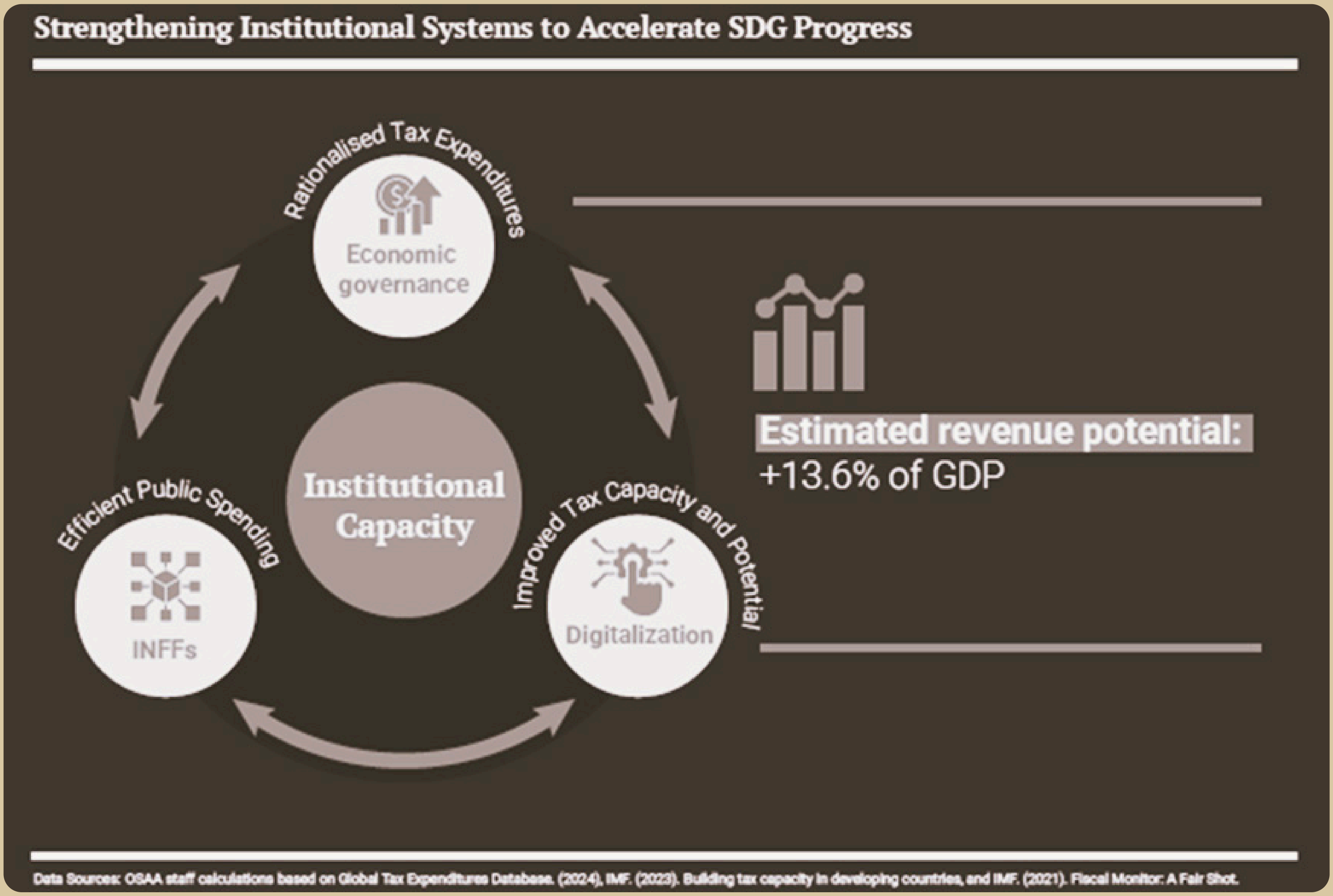
The solution for the financing gap requires African countries to adopt a holistic strategy built on three interconnected pillars:

1. Robust economic governance,
2. Digital transformation, and
3. Strategic financing frameworks.



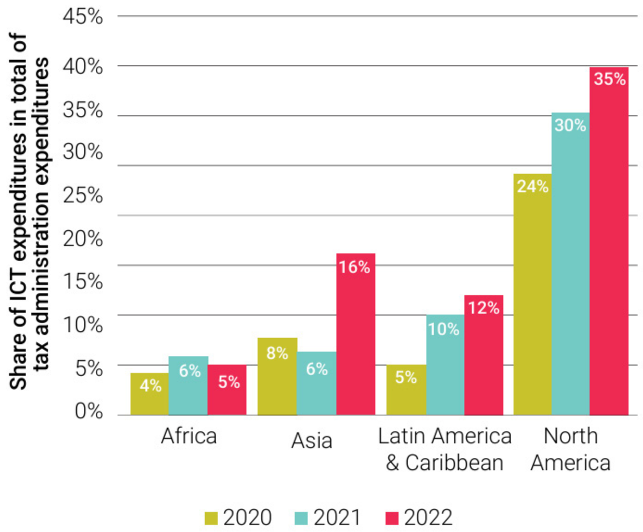
Modernising and digitalising tax systems → improving tax collection, reducing costs and mobilising flows currently bypassing official systems.

African countries have already made impressive strides, reducing the tax collection cost from 9.5 per cent in 2018 to just 1.4 per cent in 2022.

But they are still lagging in investment in digital tools.

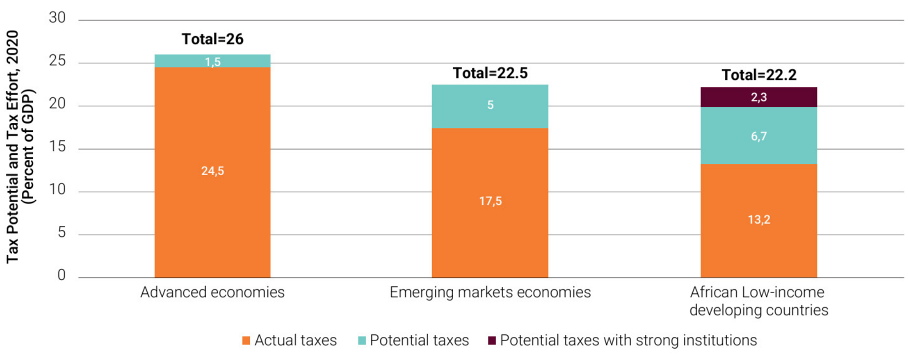
The adoption of e-invoicing and electronic fiscal devices can yield additional revenues of 0.7 per cent and 0.5 per cent of GDP, respectively.

African Countries lag in digitalizing their tax administrations.



Source: OSAA staff calculations based on data from the International Survey on Revenue Administration (ISORA) 2023,[26] Accessed on 14 February 2025.

By investing in DRM and strengthening their institutions, African countries could significantly improve their domestic revenues.



Source: IMF (2023). Building tax capacity in developing countries.

African countries must rationalise their public financial management strategies eliminating redundant and costly tax incentives, estimated at 1.8 per cent of GDP in forgone revenues annually.

Implementing Integrated National Financing Frameworks (INFFs) to align all funding sources—domestic, international, public, and private—with clear national development priorities. Currently, 36 African countries are embarking on this path, which is a promising sign of a strategic shift.

Harnessing its own resources + controlling its financial flows = Africa can finance its own future.