



Mo Ibrahim Foundation launches 2024 Ibrahim Forum Report Financing Africa: Where is the Money?

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19 June 2024 – The Mo Ibrahim Foundation’s latest report, “Financing Africa: Where is the Money?” provides a comprehensive analysis of both the financial needs deemed necessary for Africa to meet its development and climate goals and the resources that are currently available. The report makes the point that the resources mostly exist, but either lack the relevant processes to be effectively allocated where needed, or, significantly when it comes to domestic resources, are either dormant or misused.

Commenting on the release of the report, Mo Ibrahim, Founder and Chair of the Mo Ibrahim Foundation, said:

“We need a complete change of paradigm. This is not about Africa coming to the developed world with a begging bowl and developed countries considering how much more they can pledge. This is about smarter money, not just more money. As this report outlines, the money is already there. But current processes prevent resources from being used to properly address the challenges. Steps must be taken to reform the international financing system and update African debt structuring, risk assessment and mitigation and aid conditionalities. Even more, our continent must stop squandering its own assets and take proper ownership and responsibility. In short, we must apply good governance to ensure these assets are adequately leveraged for the best interests of our people.”

The report first identifies the substantial but often incoherent numbers associated with Africa’s development and climate goals. While the task of assessing financial needs is complicated by inconsistent data from multiple sources, the figures all point to staggering numbers. And whatever the numbers, the report underscores the critical need to ensure climate finance does not crowd out development finance, forcing African nations to choose between development for their population and environmental sustainability.

The report then analyses financial contributions from non-African sources. Official Development Assistance (ODA) accounts for nearly 10% of the continent’s financial resources. But ODA from western donors remains primarily directed towards health and education, and often comes with specific conditionalities. Meanwhile non-DAC countries commitment to Africa is growing steadily and addresses the demand. Debt cannot be the way out, as stock and servicing costs have tripled since 2009, and its increasingly complex structure renders traditional relief efforts obsolete. Other key issues include inadequate African risk assessment and mitigation, the IMF’s specific surcharges, and dormant ODA funds.

But the main source could well be Africa’s domestic resources, which, according to the African Union, should on average cover between 75% and 90% of the needs to finance Agenda 2063. However, most of those resources appear to be potential or dormant at best, or too often misused. Preventing leakages through Illicit Financial Flows (IFFs) could bolster resources by up to \$100 billion annually, surpassing both ODA received (\$81 billion annually) and remittances sent back to the continent (\$97 billion annually). With the average tax-to-GDP ratio in Africa still at 15.6%, half the OECD average, strengthening tax systems

appears a quick win. Indeed, Africa lost \$46 billion in corporate taxes due to tax incentives in 2019, more than half of ODA received. The report also highlights the potential of leveraging remittances, sovereign wealth funds, pension funds, and private wealth. Additionally, monetising Africa's green assets including biodiversity, critical minerals, carbon-sinking potential can unlock notable financial resources, provided that good governance and allocation of resources to people's development is ensured.

This report is a product of the Ibrahim Governance Forum, which is part of the Ibrahim Governance Weekend, held every year in a different African country. Scheduled to take place in Nigeria, the IGW 2024 was cancelled due to unforeseen circumstances, but the expected speakers and panellists have provided key contributions that are incorporated in the final report.

The list of contributors includes **Akinwumi Adesina**, President, African Development Bank Group; **Masood Ahmed**, President, Center for Global Development (CGD); **Ajay Banga**, President, World Bank Group; **Nardos Bekele-Thomas**, CEO, African Union Development Agency (AUDA-NEPAD); **Abdoul Salam Bello**, Executive Director Africa Group II, World Bank; **Jin-Yong Cai**, Partner, Global Infrastructure Partners, former CEO, International Financial Corporation (IFC); **Marie Diron**, Managing Director Sovereign Risk Group, Moody's; **Koen Doens**, Director General, DG International Partnerships (DG INTPA), European Commission; **Amadou Hott**, Special Envoy of the President of the AfDB for the Alliance for Green Infrastructure in Africa, former Minister of Finance of Senegal; **H.E. Moussa Faki Mahamat**, Chairperson, African Union Commission; **Mark Malloch-Brown**, External Adviser to the Managing Director of the IMF and the President of the World Bank on their institutions' future; **H.E. Charles Michel**, President, European Council; **H.E. Amina J. Mohammed**, Deputy Secretary-General, United Nations; **Tarek Mouganie**, Founder and Group CEO, Affinity Africa; **H.E. Albert M. Muchanga**, Commissioner for Trade and Industry, African Union Commission; **H.E. Louise Mushikiwabo**, Secretary General of the Organisation Internationale de la Francophonie; **David Ndi**, Chair, President William Ruto's Council of Economic Advisors; **Arkebe Oqubay**, Senior Minister and Special Adviser to the Prime Minister of Ethiopia; **Rémy Rioux**, Chairman of Finance in Common and CEO of Agence française de développement; **Pascal Saint-Amans**, Co-Chair, AEF Working Group on IFFs, Advisor, International Tax Task Force; **Vera Songwe**, Founder and Chair, Liquidity and Sustainability Facility (LSF), former Executive Secretary, United Nations Economic Commission for Africa (UNECA); and several members of the Mo Ibrahim Foundation council and the Now Generation Network (NGN).

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About the Mo Ibrahim Foundation

Established in 2006, MIF is dedicated to strengthening the African voice on global challenges. The Foundation provides data and analysis to assess continental challenges, convenes stakeholders for discussions, and supports initiatives to enhance leadership and governance in Africa.