



Financing for the Development Strategy of the Union of Comoros

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#FinancingSDGs

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A brief introduction to the main financing challenges facing the Comoros

Key findings of the Development Finance Evaluation (DFA) (2020)

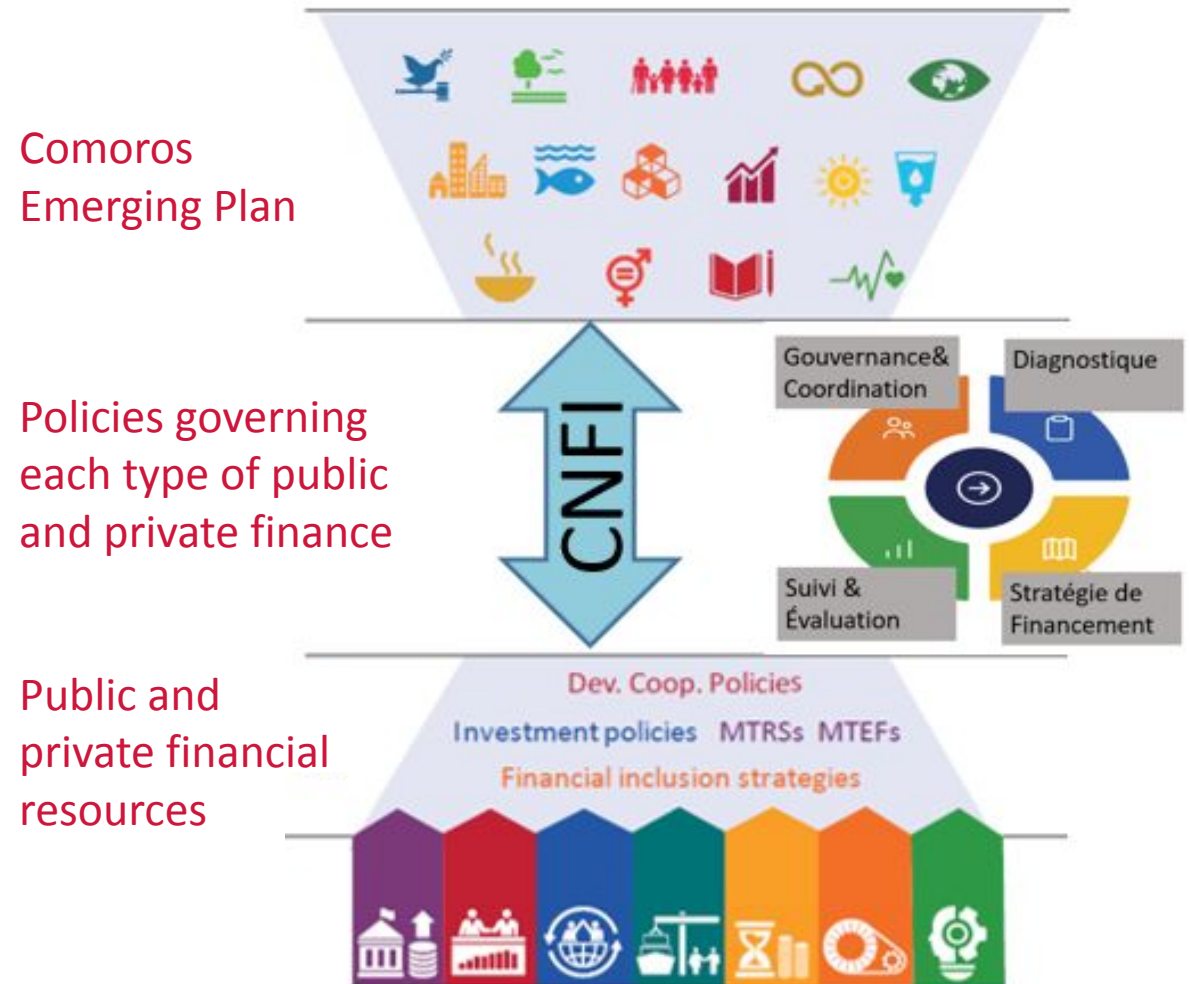
- Deficit of available funding although there are great opportunities to mobilize more
- Lack of a consultation framework despite the structures provided for in the Emerging Comoros Plan
- Complex implementation procedures and low absorption capacity
- Compartmentalization between sectors, funding sources and processes
- Fragmented decisions and/or strategies

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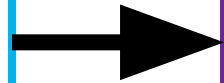
Why the INFF approach was useful
for the Comorian government

Within the CNFI/INFF, the financing strategy:

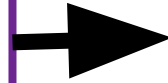
1. Federates the various existing sources of financing around a unified strategy
2. Establishes a true development financing ecosystem
3. Identifies the measures and reforms needed to optimize the mobilization and alignment of all available resources to achieve sustainable development priorities.



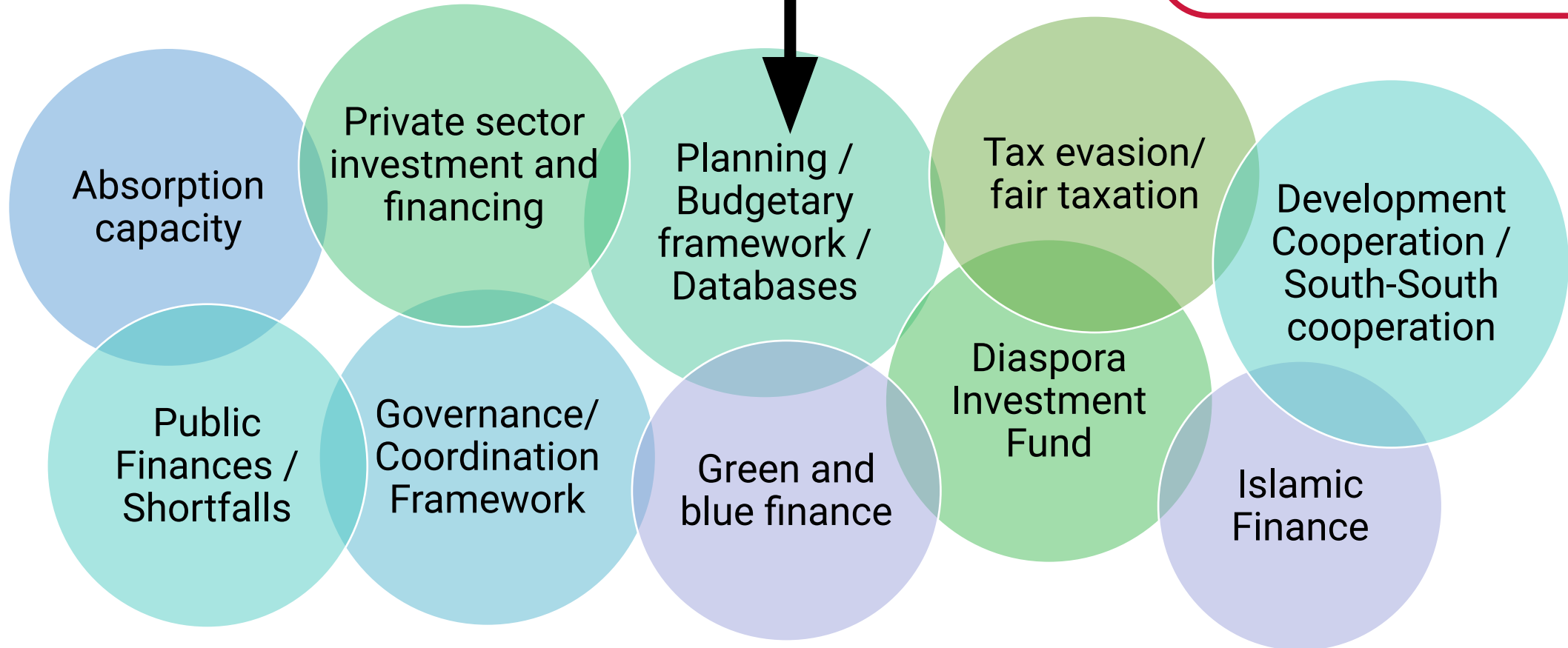
2020 Assessment:
Losses & trends for
each resource



Reforms must be
oriented towards:



**FINANCING
STRATEGY**



3

An overview of the
financing strategy

Structure of the financing strategy

Financing Strategy of the Union of the Comoros

Introduction / Conceptual Framework

- Methodology
- Financing needs and objectives of the strategy in relation to the PCE 2030 and its Recovery Plan
- Governance & policy integration of planning & financing
- Systemic issues, coherence and risk mitigation

Part I: Mobilizing finance through the CNFI

- Public finance; International cooperation (ODA, South-South cooperation, blue and green finance)
- Private finance (domestic and international)
- Innovative financing (Diaspora transfers; Islamic finance)

Part II: Institutional Architecture of the CNFI

- Strategic steering framework of the ECP
- Reform process anchored in the BCP
- Tools for planning and monitoring implementation
- Measures to address institutional constraints

Part I - Mobilization of domestic public funding (Challenges and opportunities)

Domestic revenues:

- Narrow budget base, impacted by tax evasion, collection difficulties, informality, exemptions, etc;
- Tax burden of 7.8% in 2021 below potential
- Numerous shortfalls whose magnitude remains uncertain (arrears, corporate taxes, property tax, customs duties, exemptions)

Public debt:

- Debt ratio (31.3%/GDP) below CFA zone threshold, but domestic revenues and export values too low to ensure debt sustainability for new borrowing;
- Strategic management difficulties (debt strategy, debt management reform plan, National Public Debt Committee, etc.)

International public financing:

- Important source of investments (LFI 2022: 72% of PIP);
- Fragmented projects, outside national systems
- Low absorption and implementation rates;
- Limited number of TFPs, but additional potential if absorption difficulties are resolved

Domestic Revenue - Key Reforms and Policy Actions

Recettes intérieures

2.1 Réforme unique des finances publiques

Équiper les administrations et moderniser les procédures de collecte

2.2 Renforcement des administrations et procédures

Renforcer modalités de collaboration (AGID - douane; administration centrale - îles)

Régularisation du secteur informel

Renforcer contribution des entreprises publiques aux recettes

2.3 Assurer une politique fiscale juste et efficace

Analyse systématique des différents éléments du cadre fiscal

Réviser la politique fiscale et éviter les distorsions

Usage stratégique des exonérations et incitations

2.4 Réfleter priorités dans la gestion des dépenses

Clarifier et sensibiliser aux procédures de gestion du budget

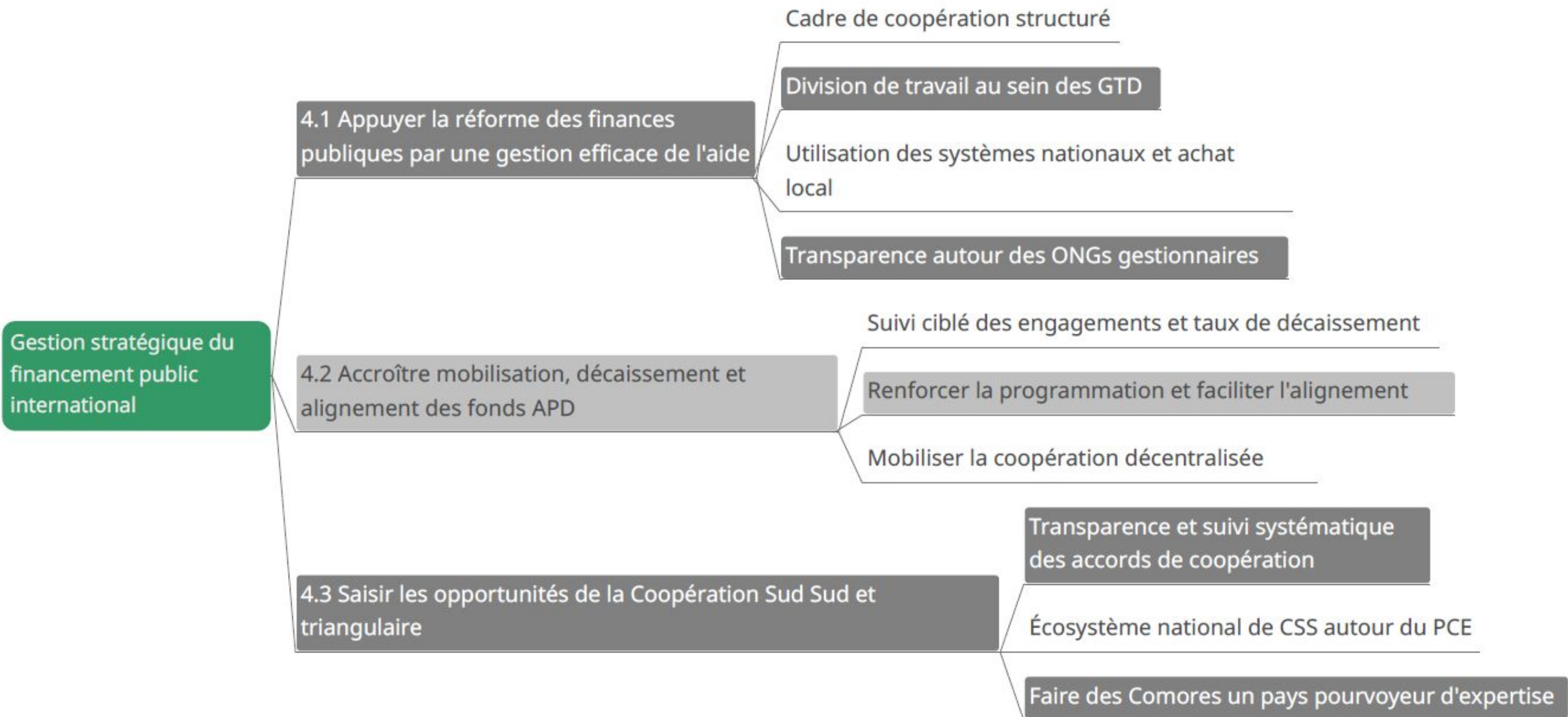
Consolider les outils existants (PIP et budget annuel)

Harmoniser bases de données sur la gestion des investissements (Sydonia - SIGIT; Sim-ba - GISE; DAD - SIPP)

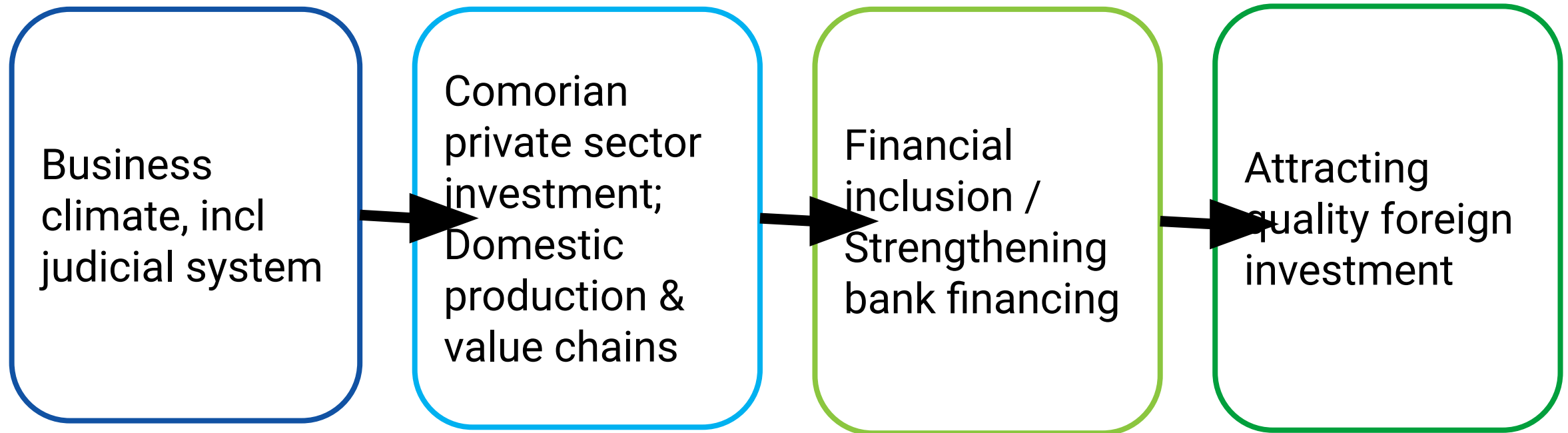
Renforcer la passation des marchés publics

Une feuille de route crédible vers un CRMT et CDMT de qualité

International cooperation - reforms and strategic actions



Private Sector Investment - Strategic Issues and Actions



Innovative Financing Policies - Issues and Strategic Actions



Thank you for your attention

Contact: mfbsb.cnfi.secretariat@gmail.com

DFA Comores:

<https://inff.org/fr/resource/rapport-devaluation-du-financement-du-developpement-des-comores-defis-et-opportunités-pour-le-financement-des-odd>

