

# Progress of the work of the High Level Panel on Illicit Financial Flows from Africa

**Adam Elhiraika**, Director,  
Macroeconomic Policy Division,  
Economic Commission for Africa

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Development follow-up

## STRUCTURE OF THE PRESENTATION

- **High Level Panel on IFFs from Africa**
- **Implementation of Panel's recommendations**
- **Consortium to Stem IFFs from Africa**
- **Remaining issues, conclusions & recommendations**

## **HIGH LEVEL PANEL ON IFFs OUT OF AFRICA**

- **IFFs from Africa are estimated to be at least \$80 bn annually**
- **Side event at 2010 Conference of African Ministers of Economy, Finance & Planning – showed huge interest**
- **2011 Conference of African Ministers of Economy, Finance & Planning mandated a High Level Panel (HLP) to investigate**

## PANEL'S APPROACH TO MANDATE

- Panel noted need to urgently **upscale policy research & advocacy** on illicit financial flows from Africa, esp. from an African perspective & to **build a coalition within & beyond the continent.**
- Panel produced a background paper on the Scale and Development Challenges of IFF from Africa, in-depth country case studies and regional and country consultations **within and outside** Africa and final report
- Included original estimates of IFF outflows through **trade mis-invoicing and other channels.**

## AU COMMISSION & ECA'S ROLE

- **AUC/ECA Technical Committee:**
  - **Provided technical advice and support to the HLP in matters pertaining to its core functions**
  - **Responsible for turning policy decisions of the HLP, into action, and for coordinating efforts in implementing these plans**
  - **Membership of the Technical Committee is from relevant Divisions of ECA and AUC that are directly involved in activities related to combating illicit financial flows, and external experts**

## **CONCLUSION OF PANEL'S WORK**

- **The Panel presented its report to the AU Assembly of Heads of State and Government in January 2015**
- **The Assembly adopted the recommendations in full**
- **Tackling IFFs included in the SDGs and in the Addis Ababa Action Agenda on Financing for Development**

## **FOLLOW-UP ON PANEL RECOMMENDATIONS**

- **AU Assembly requested Head of the Panel (H.E. Thabo Mbeki) to present an annual report to the Assembly on implementation of recommendations.**
- **Collaboration with other UN Regional Commissions on work on measuring IFFs through trade mis-invoicing & other channels.**
- **Consortium to Stem Illicit Financial Flows out of Africa (international organizations, NGOs working on the issue) formed to carry out recommendations.**
- **Allow coordination, avoid duplication, facilitate joint projects**

## **CONSORTIUM TO STEM IFFs FROM AFRICA (1/2)**

- **IFF working group – core group of organizations to work intensively to support consortium, including – African Capacity Building Foundation, AfDB, AU, ECA, NGOs including Thabo Mbeki foundation & African Tax Administrative Forum.**
  
- **ECA provides secretariat**



## CONSORTIUM TO STEM IFFs FROM AFRICA (2/2)

- Project document, terms of reference, monitoring and evaluation framework, biennial work plan to be finalised by IFF Working Group (ahead of full consortium) in early June 2017.
- Proposed focus on – **advisory services & capacity building for African Governments & legislators (incl. transfer pricing unit exchange programme); public & diplomatic advocacy campaigns; building customs & tax databases; network of African FIUs; incorporate IFFs into APRM; IFF observatory; further research into magnitude & nature of the problem; financial transparency code for MNCs; strengthened asset recovery framework.**

## Policy measures needed at National and International levels

- **Capacity building is important but addressing IFFs is both a technical and Political issue.**
- **collaborative efforts needed to agree on a common methodology**
- **Relatively strong global agreements on tackling organized crime, corruption, money laundering & tax evasion and avoidance - more global efforts needed on commercial activities.**
- **Tax incentives are often abused and not guided by cost-benefit analysis**



 **AFRICA**  
**FIRST**

# THANK YOU!

Download HLP Report on IFFs here:  
<http://www.uneca.org/publications/illicit-financial-flow>

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