



The Conference on Addressing Illicit Financial Flows and Asset Recovery in the Extractive Industries, Radisson Blu, Diarnniadio, Dakar, Senegal

(13 – 14 June, 2023)

Theme: Addressing Illicit Financial Flows and Asset Recovery in the Extractive Industries

OFFICIAL COMMUNIQUE

The Conference on *Addressing Illicit Financial Flows and Asset Recovery in the Extractive Industries* convened by the Secretariat of the African Union High Level Panel on Illicit Financial Flows and the Working Group on Common Africa Position on Asset Recovery (CAPAR) held parallel to the 2023 Global Conference of the Extractive Industries Transparency Initiative (EITI) on 13th and 14th June 2023 in Dakar, Senegal.

1. The African Union (AU) High-Level Panel on Illicit Financial Flows (AU HLP on IFFs) and the Working Group on the Common African Position on Asset Recovery (CAPAR), composed of the African Union, the Coalition for Dialogue on Africa (CoDA), Forum Civil, the Pan-African Lawyers Union (PALU) and TrustAfrica, convened a conference on the theme, “*Addressing Illicit Financial Flows and Asset Recovery in the Extractive Industries*”. The Conference was held parallel to the 2023 Global Conference of the Extractive Industries Transparency Initiative (EITI), the first ever EITI conference to be held in Africa in spite of African countries being the majority of EITI’s fifty-seven member countries which meet every three years.
2. The conference was organized in line with African Union Decisions and Instruments as adopted by African Heads of State and Government. These include: the AU Assembly Special [Declaration](#) on IFF ((January 2015), the [Nouakchott Declaration](#) on the African Anti-Corruption Year (June 2018), and the [Common African Position on Asset Recovery \(CAPAR\)](#) (February 2020).

3. The Conference brought together stakeholders including state agencies, civil society organizations, academia and the media to foster dialogue and collaboration on the promotion of accountability and transparent management of oil, gas, and mineral resources. It also deliberated and agreed on scaling up joint efforts with national anti-corruption agencies and state departments in raising public awareness, tracing, and recovering assets illicitly acquired from Africa through tax avoidance and illegal activities such as tax evasion, money laundering and corruption.
4. The Conference noted the significant contribution of the extractive industries to illicit financial flows and the attendant impact on African economies. The extractive industries mostly contribute to illicit financial flows through various means including through under-declaration, underpricing and the evasion of capital controls. It is further complicated by base erosion and profit shifting practices of Multinational Corporations (MNCs) that misrepresent the value of goods and/or services in order to relocate untaxed profits to their home nations or to financial secrecy jurisdictions.
5. The Conference noted that Multinational Corporations in extractive industries also engage in bribery or other corrupt activities to secure mining or drilling licenses, permits, or favourable tax treatment from government officials. The corruption scandal involving Glencore Group of Companies in six (6) African countries¹ is a very illustrative case in point. Some mining companies also undertake mass exports of mineral ores and crude oil from African countries often disguising and grossly understating the true value of the minerals, precious metals and/or oil in the raw materials that they export for refining.
6. The Conference discussed the CAPAR, the need for enhanced transparency and accountability, stricter regulations, sanctions and increased international cooperation in the extractive industries. It also discussed options for engaging national law enforcement authorities, judiciary and the general citizenry to hold accountable the perpetrators of corruption in the extractive industries and their accomplices.
7. The AU High Level Panel on IFFs and CoDA will continue to advocate for more inclusive and transparent international financial and trade governance systems that are fairer for African countries, establish the necessary platforms for presenting a unified African voice on these issues, and strengthen partnerships with global, continental, and regional organizations, civil society organizations, think tanks and research institutions in this regard. Moreover, the Conference reminded EITI of its role in promoting accountable and transparent management of oil, gas and mineral resources to overcome illicit financial flows arising from activities in extractive industries in Africa.
8. The Conference stressed that the CAPAR is the premier policy advocacy instrument aimed at assisting AU Member States to trace, identify, recover, repatriate and effectively manage their assets, including assets of cultural heritage, in a manner that respects their sovereignty and for the benefit of African peoples who are ultimately victims of illicit financial flows. The CAPAR now stands as the best tool for Africa's legal and technical framework for the recovery and

¹ Nigeria, Cameroon, South Sudan, Cote de Ivoire, Equatorial Guinea and the Democratic Republic of Congo

management of the return of Africa's stolen assets from foreign jurisdictions to the rightful source countries.

9. The Conference consequently resolved as hereunder:

9.1 That as the premier policy advocacy instrument for assisting AU Member States to trace, identify, recover, repatriate and effectively manage their recovered assets, CAPAR should be widely disseminated to sensitize public authorities, civil society organizations, citizens of Africa and the rest of the world, and multilateral organizations.

9.2 That the Conference urges AU member-states to actively promote public knowledge of the CAPAR in their jurisdictions and to their international partners, and to take national level actions in line with the CAPAR.

9.3 That the Working Group on CAPAR augments the role of investigative journalism in stemming illicit financial flows from Africa. To this end, that the Working Group initiates a capacity-building programme for the purpose of enhancing the quality of investigative journalism, engaging investigative journalists from and across Africa, researchers, and professionals working with data relating to illicit financial flows especially in asset tracing, recovery, and management.

9.4 That the Working Group on CAPAR prioritizes inclusive consultative processes towards the development of a continental framework for whistleblower protection.

9.5 That the Glencore corruption scandal being a symptom of a widespread and deliberate practice in the extractive industries in Africa, the Conference calls upon the African Union and the governments of the six African victim states to draw upon all the necessary resources for joint and separate judicial action against Glencore and its accomplices.

9.6 That the Conference calls upon Transparency International and its partners, Publish What You Pay, and related advocacy Civil Society Organizations to actively engage and support action against Glencore on these six cases.

9.7 That the Conference calls upon EITI to publicly call out Glencore and demand that it publicly demonstrates fidelity to the principles and values that EITI stands for.

9.8 That the Conference also calls upon the AU member-states to prioritize ratification of the Malabo protocol for a criminal jurisdiction for the African Court on Human and Peoples' Rights as part of strengthening Africa's own mechanisms for criminal accountability in the extractive industries.

9.9 That the Conference commends the African Development Bank for taking the initiative to put in place the **African Integrity Fund** and urges the Bank to prioritize the operationalization of the fund.

9.10 That given the high proportion of illicit flows that are facilitated by fraudulent international commerce (constituting at least 65% of IFFs from Africa), the bulk of which

stems out from transactions in the extractive industries, EITI be reminded of its critical role in promoting accountability and transparency and be called upon to actively take up this role in partnership with the Working Group on Extractives.

- 9.11 That in view of the need for national level responses to the special declaration and the CAPAR, the Working Group on Extractives be urgently reconstituted, and invitations be extended to EITI and Transparency International to join as members.

HELD AT DAKAR, SENEGAL

THE 14TH DAY OF JUNE 2023

For further information, please contact:

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