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# Overview:

## *Work of the AU High Level Panel on IFFs from Africa*

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## Outline

1. Work of the AU HLP on IFF from Africa so far (Phase I)
2. Current Institutional Arrangements in Support of the Implementation of the Recommendations
3. Reporting Structure on IFFs to the AU Assembly
4. Technical Committee on Domestic Resource Mobilization
5. Common African Position on Asset Recovery (CAPAR)
6. Phase II: Focus on National Level Response



# 1. Work of the High Level Panel on IFFs (Phase I)

The ECA/AUC HLP on IFFs from Africa (established in 2012) work brought about the HLP Report (2014), AU Special Declaration on IFFs (2015, Art. 23 & 24 of the AAAA of UN FFD III (2015) which informed SDG Indicator 16.4.1 (2016) and AU Decision on CAPAR (2020), among others.

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Illicit Financial Flows

Report of the High Level Panel  
on Illicit Financial Flows from Africa

Co-sponsored by the AU/ECOA Conference of Ministers of Finance, Planning and Economic Development

## ASSEMBLY SPECIAL DECLARATION ON ILLICIT FINANCIAL FLOWS Doc. Assembly/AU/17(XXIV)

We, the Heads of State and Government of the African Union, having met at our Twenty Fourth Ordinary Session of the AU Assembly in Addis Ababa, Ethiopia, from 30 to 31 January 2015;

Recognizing the Conference of Ministers Resolution 886 (XIV) which established the high-level panel on illicit financial flows from Africa;

Concerned with the increasing scale and extent of illicit financial flows from Africa, particularly from our extractive industries and natural resources which constitute a drain on the resources required for Africa's development. Whereas, it is estimated that Africa has lost up to US\$ 1.8 trillion between 1970 to 2008 and continues to lose intensive financials estimated up to US\$150 billion annually through illicit financial flows (IFF) or "tax capital flight" mainly through tax evasion, mispricing of trade and services by multinational companies;

Aware that the problem of illicit financial flows is exacerbated by corrupt tendencies of government agencies; lack of or weak African institutions both at national and continental levels in all sectors; governance challenges; political instability and corruption; weak tax administration; and lack of capacity to monitor and curb such criminal activities among others;

Recognizing the growing need for domestic resource mobilisation for the attainment of our continental development visions and goals particularly Agenda 2063 and the Common African Agenda for the post 2015 Development agenda, which both call for inclusive growth, sustainable development and social and economic structural transformation of Africa through optimal utilization of our natural resource endowments;

Conscious that the amount of illicit financial flows from Africa is greater than the inflow of Overseas Development Assistance;

Convinced that curbing illicit financial flows through, *inter alia*, institutionalizing prudent legal and regulatory regimes; tightening fiscal policies that detest financial secrecy, fight corruption, institute anti-money laundering African institutions, build African member states capacity for contract negotiation; tax administration and identify and return the resources lost through illicit financial flows can greatly contribute to the alternative sources of financing Africa's development agenda;

Further Convinced that the time is now for Africa's Renaissance, for the continent to regain ownership of its natural resources and to implement sound, prudent management and good governance, with a view to optimizing the benefits derivable from its natural resources in particular extractive sectors and mineral resources for present and future generations while limiting negative environmental and macroeconomic impacts;

## DECISION ON THE COMMON AFRICAN POSITION ON ASSET RECOVERY

The Assembly,

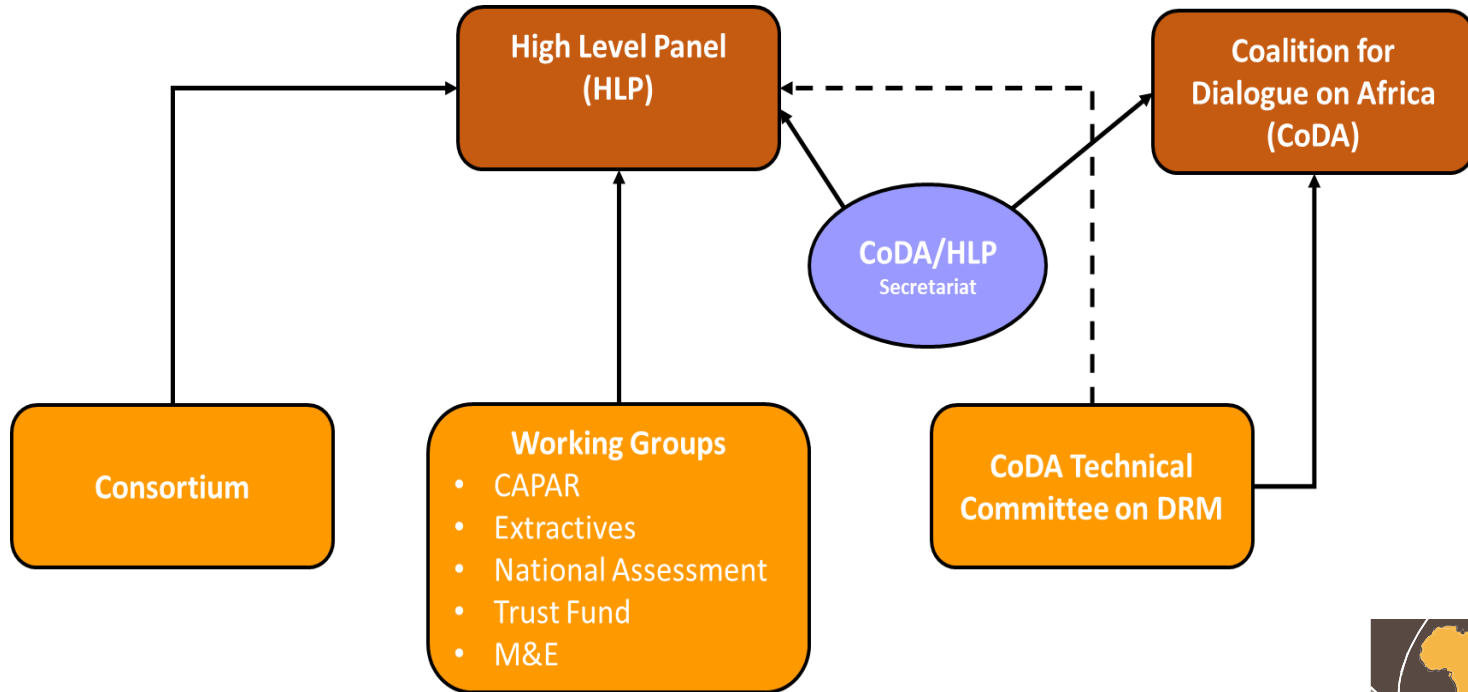
1. **RECALLS** Assembly Decision (Assembly/AU/Decl.5(XXIV)) of the 24th Ordinary Session held in Addis Ababa, Ethiopia, which endorsed the Report of the AU/ECOA High-Level Panel on Illicit Financial Flows and the outcomes of the 2018 AU annual theme on "Winning the Fight Against Corruption - A Sustainable Path to Africa's Transformation", particularly the Nouakchott Declaration on Anti-Corruption Year Assembly/AU/Decl.4(XXII), through the chairmanship of H.E. Muhammadu Buhari, President of the Federal Republic of Nigeria, as Leader of the African Year;
2. **COMMENDS** the follow up work of the African Union Commission, the African Union Advisory Board on Corruption (AU-ABC) and the Consortium to Ban Illicit Financial Flows (IFFs) from Africa towards developing a Common African Protocol on the Asset Recovery as part of the implementation of the Special Declaration on Illicit Financial Flows (Assembly/AU/Decl.5(XXIV));
3. **RE-EMPHASIZES** that the development of the Common African Position on Asset Recovery is a critical and important step towards curbing and reversing illicit financial flows which have and continue to drain annually large amounts of financial resources and assets that are required for Africa's sustainable peace, stability and development;
4. **RECOGNIZES** that the non-recovery and non-restoration of African assets, including the proceeds of corruption and tax evasion, illicit enrichment, concealed to foreign jurisdictions, has a severe and negative impact on the fulfilment of the African development agenda, particularly the ambition of strengthening the gains, the enjoyment of human rights, with a special emphasis on the right to development;
5. **ACKNOWLEDGES** that efforts and strategies towards the recovery of African assets must be shaped and contextualized in the broader historical, political, economic and social narrative of Africa including the plight of African refugees, slavery and colonialism;
6. **ENDORSES** the Draft Common African Position on Asset Recovery as a continental policy and advocacy tool to strengthen the combat of illicit financial flows;
7. **EXPRESSES** concern on the present practices by destination countries of keeping identified African assets in foreign jurisdictions during the lengthy processes involved in recovery which result in source/ host countries losing out on the potential monetization, use and enjoyment of such assets to the detriment of Africa's development;



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## 2. Current Institutional Arrangements for the Implementation of the Recommendations of the Panel



## 4. Technical Committee on Domestic Resource Mobilization

- Inaugurated on 5 May 2021 to boost the capacity of African governments to adopt and implement efficient fiscal policies as the basis for better resource mobilization
- Helps to guide CoDA's efforts to foster high level research, technical and advocacy support directly to the HLP in its work with African Governments.
- Boosts African Governments capacities to adopt and implement efficient fiscal policies as the basis for better revenue collection, public expenditure management, and debt management.
- Oversees the annual convening of the African Fiscal Policy Forum



## 5. Common African Position on Asset Recovery (CAPAR)

- Policy Advocacy Tool... Bedrock for negotiating the return of African Assets consigned in foreign jurisdiction
- Working Group on CAPAR: Co-chaired by AUC Commission for Political Affairs, Peace & Security and the Chair of the Board of the AU Advisory Against Corruption (AU-ABC), it leads the implementation of CAPAR by strengthening the capacity of AU Member States and their relevant institutions to implement its policy recommendations

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Understanding and implementing the  
**Common Africa Position  
on Asset Recovery (CAPAR)**

**iff**

any can join via this zoom link

African Union

AUABC  
African Union Advisory  
Board on Corruption

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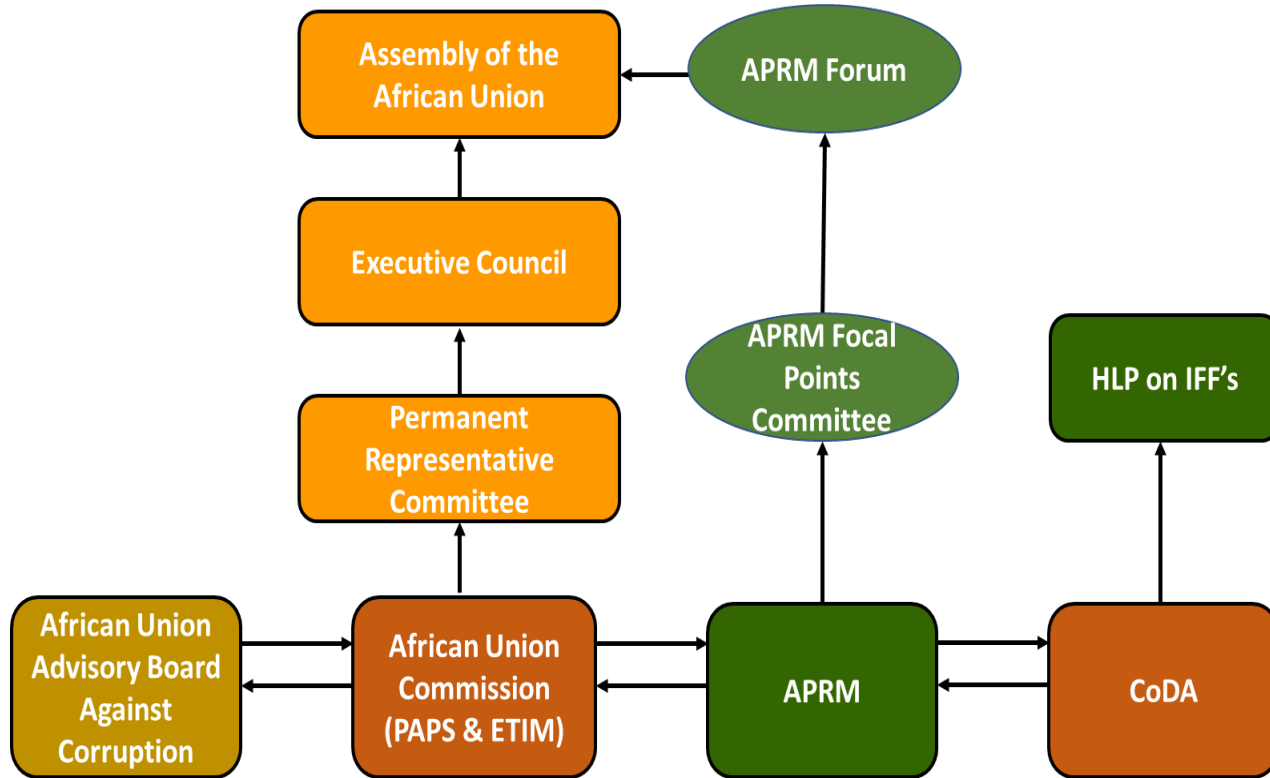
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## 6. Assessments of National Level Response to IFFs

- The HLP on IFFs from Africa began implementing Phase II of its work, which focuses on national level actions by African Member States
- Ongoing effort to assess the status of implementation of the HLP on IFFs recommendations cover the following African Union Member States – Algeria, Burkina Faso, Democratic Republic of Congo, Ghana, Lesotho, Malawi, Mauritius, Namibia, Nigeria, South Africa, Sudan, Tanzania and Tunisia
- Sudan Report Validated. Upcoming National validations to be jointly organized with respective governments, upon technical validation of the documents prepared (matrix, synthesis.... and in-depth analysis).



### 3. Reporting Structure



# THANK YOU

For more information on the work of the HLP, visit: <https://codafrika.org/iffs/>

