

Remarks by Mr. Allan Mukungu, Officer in Charge, Macroeconomic and Governance Division, United Nations Economic Commission for Africa

Over the last five years, UNECA has strongly advocated for African countries to step up domestic resource mobilization to finance development on the continent. A call elevated by the 2015 publication of the High-Level Panel on Illicit Financial Flows (IFFs) from Africa as well as the SDGs and the Addis Ababa Action Agenda stresses the need to mobilize more resources to finance sustainable development and, more specifically, to stem the flow of IFFs. In this respect, UNECA teamed up with UNCTAD and UNODC to implement a Development Account Project, on *Defining, Estimating and disseminating statistics on IFFs*, to enable the measurement of SDG 16.4.1. The project aims to support the development of a framework for measuring IFFs and build local capacity to enable the identification, measurement and tracking of IFFs as well as the recovery of stolen assets. It is envisaged this work will strengthen domestic resource mobilization and economic governance across the region.

The recent experience in the most populous country on the continent, Nigeria, underscored the importance of the principles of effective governance for sustainable development required to address this mammoth challenge. To successfully arrest the illicit flows of financial resources from a country requires the consistent application of a number of principles. These are: a) to deploy a whole of government and society approach which requires participants to be knowledgeable on what they are tackling; b) ensure the existence of a conducive and enabling policy framework; and c) achieve collaboration among the different parties to maximize synergies and improve efficiency.

It also requires both state and non-state actors to operate with the highest levels of integrity, not least because outward IFFs relies on the complicity of duty bearers to a large extent. Therefore, upholding the transparency of information, the readiness to share relevant information, and independent oversight (particularly at the highest level) is integral to effectively addressing this issue. Additionally, due to the diversity in IFF avenues and the enduring effects it has on economies, addressing the challenge requires inclusiveness that brings different stakeholders together such as private and public sector actors, bankers as well as external parties and potential beneficiaries.

Because of the enormous resources required to challenge the entrenched system of IFFs, it is important to secure the commitment of frontline stakeholders (e.g. customs officers, tax revenue collectors, bankers, and employees in multinational companies) to play their part effectively. For instance, identifying and reporting illegal financial transactions. Stakeholders have also highlighted the importance of political-will and establishing an effective whistle-blowing system to support the independent oversight principle.