

Side event organized by the Macroeconomic and Governance Division

Illicit financial flows in Africa: regional efforts to track, recover and return assets

Background

Achieving the promise of the 2030 Agenda for Sustainable Development will require the mobilization of domestic resources to finance development. Doing so represents a significant challenge for African economies, for which tax revenues are generally insufficient to meet public-spending demands and access to international financial markets is significantly limited. The coronavirus disease (COVID-19) crisis has exacerbated the pressure that Africa faces in financing its development, since the health crisis placed additional strain on public finances, made debt levels unsustainable and caused a retraction of foreign direct investment.

Illicit financial flows remain a major roadblock to domestic-resource mobilization, which poses a threat to the financing of development. Massive resource leakages through corruption, tax evasion and aggressive tax avoidance through tax havens and offshore financial centres continue unabated, placing those resources beyond the reach of Governments. The 2030 Agenda calls for the reduction of illicit financial flows and the strengthening of efforts to recover and return stolen assets. Given the scale and transboundary nature of illicit financial flows, an ambitious, multilateral approach is required to achieve that goal.

Objective

The main objective is to share the experiences of African countries in addressing the challenges related to illicit financial flows. The event will provide evidence-based information to policymakers and other

stakeholders on the current state of legal frameworks for asset recovery and on their achievements and shortfalls. Participants will explore opportunities to broaden the scope of measures to recover assets lost through illicit financial flows.

Expected outcomes

Participants will:

- Carry out a robust assessment of the gaps in the institutional architecture for addressing illicit financial flows from Africa
- Share their experiences in dealing with the challenges related to illicit financial flows and asset recovery
- Devise a concrete package of proposals for alternative or supplementary asset-recovery frameworks that address all types of illicit financial flows

Target audience

- Officials from ministries of finance, economic planning, trade and industry
- Other policymakers
- Representatives of international and regional organizations
- Representatives of civil society and the private sector

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