

Concept Note: Forum on Illicit Financial Flows from Africa, Dakar, Senegal, September 2013

Background

A recent study conducted by Global Financial Integrity (GFI) on illicit financial flows gives a depressing account of worsening illicit financial flows despite growth in integrity institutions in the region. Between 1980 and 2009, the economies of Africa lost between US\$597 billion and US\$1.4 trillion in net resource transfers away from the continent. These transfers include both licit flows, such as investment, foreign aid, debt relief, and remittances moving into and out of the country, and illicit flows, such as the proceeds of crime, corruption, and tax evasion moving out of the continent.

This looting continues and benefits those outside the continent, while depriving Africans of much needed financial stimulus. The resource drain on Africa over the past thirty years is almost equivalent to Africa's current GDP. This represents a major drag on African development, and dwarfs much of the effort that donor countries undertake to boost the continent's struggling economies.

Illicit financial flows have been linked with sustained economic growth. Thus, the leap in Africa has been linked to the growth record in many parts of the continent. The continent's growth has failed to benefit the citizens, in part, as a result of financial leakages. With current positive growth outlook for many countries in Sub-Saharan Africa, a lot more attention is required to combat leakages that permit illicit financial flows and money laundering and improve the benefits of growth to the people.

According to GFI researchers, some of these illicit outflows from Africa are attributed to oil price rises (minerals and other major natural resources). A lot of these leakages occur through corruption. Even though corruption now receives global attention, the persistent development gaps in many resource-dependent economies in West Africa and the risks posed by linkages between proceeds of corruption and illicit financial flows and terrorism in the region creates urgent need for governments and regional bodies to be more proactive in combating the scourge.

The question of Governance

One of the main goals of OSIWA's Economic Governance Program (EGP) is to build capacity of key non-state actors, including civil society and media as important watchdogs necessary to increase public voice and pressure needed to push reforms and advocacy on anti-corruption and natural resources governance. This draws from the three strategic outcomes that OSIWA has set programmatic framework for 2013.

Not only are these illicit financial flows are the consequence of poor governance structures, but they are also an incentive for those engaging in these criminal transfers. The question is therefore to understand how this impacts and undermines the ability of state and citizens to interface in a constructive and productive way, while economies and livelihoods continue to be so negatively affected by this capital flight.

The Forum

OSIWA, Trust Africa and the Global Financial Integrity will organize a multi-stakeholder forum on illicit financial outflows in West Africa, bringing together regional bodies, government representatives, anti-corruption agencies, International Financial Institutions, civil society organizations, activists, media, and the private sector. The meeting will look to:

- a. Raise awareness on trends and patterns of illicit financial flows out of West Africa;
- b. Disseminate key findings of the Global Financial Integrity (GFI) and African Development Bank 2013 report on illicit financial flows from Africa to target policy makers and change agents looking at the risk, trend and cost of illicit financial flows to the region;

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- c. Share information and experiences to guide advocacy and programming for OSIWA's Economic and Governance Program (EGP), and Trust Africa's Illicit Financial Flows Program;
- d. Set up a regional platform on illicit financial flows for campaigning and advocacy; and
- e. Explore possibilities of networking amongst interested non-state actors.

The Forum will look to bring together participants from varied background to support a dialogue conducive to strong governance institutions, processes and structures that are transparent, accountable and intolerant of impunity. It will look to ensure the presence of civil society actors to continue fostering their engagement and participation in public decision making, policy formulation, and oversight.

Expected Deliverables

- The key findings of the 2013 study are communicated directly to key policy makers;
- Compilation of alternative responses – by regional bodies, international organizations, national governments and CSO
- Creation of a platform for information sharing, campaigning and advocacy.

Partners

Foundations, Regional bodies, government representatives, anti-corruption agencies, civil society organizations, activists, media, and the private sector.

AGENDA

See annex