Strengthening Advocacy against Illicit Financial Flows from Africa

Despite the increased levels of foreign direct investment into the continent and the double-digit growth of many African economies, poverty and high levels of unemployment continue to define the African development landscape, except for a very small layer of African society. The ongoing economic growth has not generated sufficient economic diversification, job growth or social development to lift hundreds of millions of Africans out of poverty. What then explains the lack of transformation in many African economies?

The illicit movement of financial resources out of the continent through a variety of measures has negatively affected prospects for transformation. Illicit financial flows are now widely acknowledged as harmful to economies all over the world. For African countries, in particular, the massive outflows undermine an already precarious financial resource base, with negative effects regarding resource mobilization for equitable development. Recent studies have shown that cumulative illicit financial outflows from the African continent ranged from between US$1.2 trillion to $1.3 trillion in real terms from 1980 to 2009. These illicit financial flows are done through different fraudulent mechanisms—dubious contracts, tax evasion, transfer pricing and pure corruption.

Our Initiative

In partnership with Ford Foundation, we have since 2013 implemented a project to mobilize interest and attention among civil society organizations and governments to address the problem of illicit financial flows. The project aims to build a pan-African, cross-cutting movement in pursuit of this goal through:

- Knowledge generation on the extent of illicit financial flows, including fostering an academic community focused on the subject;
- Strengthening initiatives of policy advocacy and also nurturing interest within advocacy communities;
- Awareness building and information dissemination and campaigns;
- Providing platforms for dialogue among advocacy communities and policy makers; and
- Awarding grants to partner organizations.

Our Goals and Initiatives

We seek to build an effective, informed and concerted advocacy movement across Africa for accountable economic governance and to stem the tide of illicit financial flows from the continent. Specifically, we aim to:

- Expand knowledge on the state and dynamics of economic mis-governance across Africa;
Empower civil society organizations with access to relevant data and strengthen their capacity to effectively hold governments accountable; and

Foster collaboration among African institutions working on economic governance issues and leverage African philanthropic resources to support efforts to address the challenges of economic governance.

Our Impact

- Developed the first online open-access African Knowledge Hub on Illicit Financial Flows.
- Supported the establishment of a critical mass of well-connected grantees that are working on research, advocacy, dialogues and related activities to stem the tide of illicit financial flows.
- Improved the interpretation and analysis of the complexities of illicit financial flows and demonstrated their relationship with negative socio-economic development.
- Improved visibility and urgency around the need to resolve the problem of illicit financial flows at an Africa level.