

AFRICAN UNION

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High-level Meeting: “AU Silencing the Guns initiative - the role of illicit financial flows in fuelling instability in Africa”

Thursday, 10 December 2020
8:30 am – 11:30 am New York time

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Excellencies, Distinguished guests, ladies and Gentlemen

- It's a great honor for me to welcome you to this High-Level Meeting on the theme: "AU Silencing the Guns initiative - the role of illicit financial flows in fuelling instability in Africa". And we are particularly honoured to organize this event in partnership with OSAA, with co-sponsorship from the governments of Nigeria and South Africa.
- Illicit financial flows have a massive negative impact on socioeconomic development and continue to stunt the development of all affected countries. Besides draining foreign exchange reserves, reducing domestic resource mobilization, preventing the flow of foreign direct investment, exacerbating insecurity and worsening poverty and economic inequality, IFFs also undermine the rule of law and worsen macroeconomic conditions in the many countries.
- Today, there is a wide global acknowledgment that IFFs constitute a drain on the resources required for Africa's development, particularly given the domestic resource requirements for actualizing Africa's Agenda 2063 and our global Agenda 2030.
- Several milestones have been crossed in the journey to reach where we are today. In 2011, African Member States flagged the threat imposed by IFFs on their socioeconomic development, and in order to assess the complex and long-term implications of IFFs on Africa's economics, the AU commissioned the High-Level Panel (HLP) on Illicit Financial Flows from Africa to further explore and gain a better understanding of IFFs nature and impact.
- These efforts resulted in the Mbeki Panel Report in 2015, which provided a deeper understanding of the nature and patterns of illicit financial outflows from Africa and helped raise awareness among African governments, citizens

and international development partners of the scale and effect of such financial outflows on development.

- Endorsement of findings and recommendations from the Mbeki report in the 2015-AU Special Declaration on IFFs by the AU Assembly, demonstrated the concern shared by AU-Member States about illicit financial flows and marked the beginning of the work ahead.
- The findings and recommendations from the report attributed to be the basic foundation galvanizing an African position on issues related to IFFs. For the following five years, the African Union played a major role in ensuring that commitments to end IFFs were made by key actors.
- In addition, the work of the HLP contributed to the enhancement of collaboration and cooperation amongst African countries as well as their external development partners to promote better global understanding of the scale of the problem for African economies.
- Despite these achievements however, there is still a need to reinforce and continue these efforts with the aim to foster regional and international cooperation to curb IFFs.

Excellencies, Distinguished ladies and Gentlemen

- Ending conflicts in Africa is a collective global responsibility towards building peaceful societies that can enhance dignity, prosperity, and security for all.
- In pursuing this vision, the African Union heads of state and government pledged in the 50th Anniversary Solemn Declaration to ‘silence the guns and to free future generations from the burden of conflict’ as part of efforts to promote an integrated, prosperous, and peaceful Africa.

- Although the role of illicit financial flows (IFFs) in hindering economic development is well recognized, the implications for security and political stability, both national and global, have not received enough attention.
- There is circumstantial evidence that illicit financial outflows contribute to the devastation of peace and security by providing conflict, terrorist and criminal groups the financial means to conduct their operations and undermine peace.
- IFFs, for instance, facilitate crime transactions: they aid those associated with transnational organized crime to move and spend their illicit gains. They are also integral to the financing of terrorist and insurgent groups, which threaten peace and security. Moreover, the ability to launder, stash, and spend funds overseas enables corruption, which can destabilize countries and regions. IFFs undermine security forces, rendering them less able to respond to threats of criminality and terrorism.
- A sustainable strategy to silence the Guns must directly address in first place the root structural causes and deficits in areas of: development, governance and climate change. These socio-political and economic challenges are sources of unrest in Africa and continue to threaten peace, security and the structural transformation of Africa. Thus, if IFFs deficit is not addressed as it should be, the AU agenda of silencing the guns may not be reached.
- Distinguished ladies and gentlemen, the link is clear: we must dry the sources by adopting and implementing policies to help mitigate IFFs and the crime, terrorism, insurgency, and corruption they facilitate. These policies will not eliminate security threats, but at the minimum they can assist law enforcement and reduce the leverage of actors that threaten peace and security. IFFs should be recognized as contributing to threats to the peace and security in Africa, and we should make countering IFFs by using regional and global instruments a priority.

- Lastly, I cannot conclude without saying a word about the COVID-19 pandemic which has imposed new realities, disrupted many aspects of our lives across the board, shifting our focus and efforts to combat the devastating impact of the virus.
- In support of the efforts employed by various fronts to mitigate the effects of the pandemic, the AUC and the UN reiterated the call for silencing the guns in calling for a global ceasefire during these crucial times.
- This is the end of year 2020 and it is clear that we still have work to do in order to ensure we truly silencing the guns on our continent while we refocus our efforts towards development and prosperity for our peoples.
- We have a number of distinguished speakers and panelists in our meeting today who will address these issues, with a special focus on interdependencies between peace, security and Illicit financial flows.

I wish you fruitful deliberations, thank you.