

**NIGERIA’S STATEMENT**  
**BY**  
**PRINCE CLEM AGBA**  
**HONOURABLE MINISTER OF STATE FOR**  
**BUDGET, AND NATIONAL PLANNING**

**AT THE**  
**HIGH-LEVEL MEETING ENTITLED: “AU**  
**SILENCING THE GUNS INITIATIVE - THE ROLE**  
**OF ILLICIT FINANCIAL FLOWS IN FUELLING**  
**INSTABILITY IN AFRICA”.**

**TIME:**  
**8:30 AM TO 11:30 AM (NEW YORK TIME)**

**VIRTUAL**

**10 DECEMBER 2020**

**Please check against delivery**

## **Excellencies, Ladies and Gentlemen,**

Let me begin by extending the appreciation of the Government of the Federal Republic of Nigeria to our co-hosts for this event, which is timely, considering the fact that the continuing attacks by terrorist and armed groups across the Sahel region has the potential to both derail the achievement of the 2030 Agenda for Sustainable Development in the region, as well as undermine the socio-political cum economic development in the area. This event emphasizes the need to ensure that no one is left behind, as we make efforts to reach the farthest behind ahead of 2030; which is increasingly becoming unlikely due to the regional and potentially global impacts of armed conflict on the achievement of nationally and other internationally agreed development agenda.

2. Illicit financial flows have contributed to instability in many parts of Africa including the Sahel region, mainly due to their links to criminal gangs and regional terrorists' organizations including Boko Haram. The groups have directly and indirectly engaged in IFFs to fund their nefarious activities with profound impact on the political economy of countries of the Sahel region. Taking decisive actions to cut off all sources of funding for terrorist organisations and criminal gangs by countries of the Sahel region and the International community, is a necessity, if we must silence the guns and achieve regional stability.

3. Several communities in the Sahel region are besieged with experiences of the devastating impact of extremist attacks and violence from an array of morally depraved and perverse individuals and armed groups, including Boko Haram, one of the deadliest terrorist groups in the world, which has conducted hundreds of deadly attacks in the Sahel region, against Civilians, the Armed Forces and government institutions, as well as in recent times, increasingly on soft targets in communities around Northeast Nigeria, Cameroon, Chad, and Niger Republic.

4. Our experience has shown that there is a clear nexus between illicit financial flows (IFFs), the availability of large number of illegally acquired small arms and light weapons, insecurity, and terrorist financing in sub-Saharan Africa. As has been highlighted by other speakers, insecurity and funding for armed groups are growing concerns, not only for the African continent but also for the global community. While the purpose and nature of different armed groups operating in different parts of Africa could differ, they all have one thing in common; they require resources to maintain their cells and fund their operations, including their dastardly attacks. Most of them, including Boko Haram, rely heavily on extortion, looting and thefts, especially of banks, villages, and local markets, to get cash and food items to sustain their nefarious activities. They also sustain their operations from funds generated from illicit activities such as Human and drug trafficking.

5. Such illicit financial flows weaken the capacities of national authorities to provide security or act to curtail the scourge; destroy relationship between the state and its citizens, and weaken state's ability to effectively protect all lives and properties within its jurisdiction. It also has the potential to run democratic governance aground as it diverts important resources that could have otherwise been used to enhance human and national security, in all affected states. There are evidences that illicit financial flows provide the financial resources that support armed groups networks and terrorist activities, thus fuelling conflicts and instability in Sub-Saharan Africa.

6. Given that the origin, transactions and uses of illicit financial flows thrives in secrecy, conflict and insecurity, offshore safe havens provide storage for and easy access to ill-gotten wealth at short notice, thus serving the purposes of perpetrators of violence in the region. It is in this regard that Nigeria believes that if the international community takes drastic measures towards unwholesome practices,

such as the existence of offshore shadow financial systems and secrecy jurisdictions, and strengthen its resolve to achieve SDG16.4, the spiral effect will result in the reduction of risks of state fragility; enhance peace and security in Sub-Saharan Africa; and increase the chances of achieving many human development targets within the region.

**Excellencies, Ladies and Gentlemen,**

7. While we have reasons to blame the providers of secrecy jurisdictions, particularly those outside the region, for providing easy access to funds for perpetrators of violence in Sub-Saharan Africa, it is our view that the presence of a large, mostly informal, cash-based economies in the region create opportunities for armed groups to raise and or move large amount of cash anonymously and without much paper trail, thus making it extremely difficult for national and sub-regional authorities to dictate the flow. Regrettably, armed groups have capitalized on this and the porosity of national borders within the region to move funds around for their nefarious activities.

**Excellencies, Ladies and Gentlemen,**

8. In view of the foregoing, it has become necessary to comprehensively address all avenues for illicit financial flows, including the existence of tax havens, secrecy jurisdictions, disguised corporations, anonymous trust accounts, fake foundations, false documentation, falsified pricing in international trade, money laundering technique, and other gaps in the laws of countries whose jurisdictions provide easy access to funds for armed groups in Sub-Saharan Africa.

9. Conscious of the need for African policymakers to address this matter domestically, the Government of Nigeria has commenced the closure of all avenues for the financing of the Boko haram terrorist group. This has affected operations in

markets where Boko Haram members sell their illicitly obtained wildlife, precious stones, and various natural resources. The Nigerian Government has also mounted military offensives against the dreaded terrorist group and has continued its efforts in combating corruption and raising public awareness of the importance of blocking all sources of funding for groups with violent tendencies. We are, in addition, optimising the use of asset freezing mechanisms on individuals and entities that are known to provide funds to terrorist groups.

10. Unfortunately, our national efforts and those of other governments in the region will yield little or no significant results except authorities within and outside the region, collaborate more and deepen their understanding of the threats and vulnerabilities of terrorist financing in Sub-Saharan Africa. While the initiative taken against Boko Haram, especially the creation of the FIU Forum in Lake Chad Basin is an encouraging development, I encourage all regional groups in Africa, particularly those who are yet to do so, to take similar proactive steps to bolster links, and improve operational co-operation between regional FIUs, law enforcement and intelligence communities.

11. In concluding, it is our view that strengthening inter-regional understanding of the linkages between illicit financial flows and insecurity would help in identifying appropriate range of policy responses that will engender progress. Let me at this point emphasize that human life is precious and the human cost of insecurity is enormous, therefore, it is necessary for us all to collectively recommit to doing whatever is necessary to silence the guns and ensure stability returns to the region. Be assured that Nigeria will remain committed to the course of silencing the guns in Africa and will continue to work at tracking, identifying and blocking all avenues through which armed groups and terrorist organisations source funds to sustain their inhumane activities in the region.

I thank you.