

**Statement of H.E. Munir Akram, President of the  
Economic and Social Council, at the  
High-level meeting on “AU Silencing the Guns  
Initiative: The Role of Illicit Financial Flows in Fueling  
Instability in Africa”**

***10 December 2020***

Excellencies,  
Ladies and gentlemen,

Thank you for inviting me to this important event, it is a pleasure to be speaking on such timely and urgent matters.

Ensuring adequate financing for achieving the Sustainable Development Goals, as well as addressing the challenges of the COVID-19 pandemic and climate change, are the priorities for ECOSOC during my presidency of the Council.

In the Interim Report of the High-Level Panel on Financial Accountability, Transparency and Integrity for Achieving Agenda 2030 (FACTI Panel), launched in September this year, the Panel identified monumental resources that developing countries lose annually due to illicit financial flows as a result of corruption, bribery, crimes and tax evasion.

The challenges from illicit financial flows have been a key factor in limiting the access of African countries to the financial resources they need to achieve sustainable development. They contributed to slow progress during the Millennium Development Goals era. They now constitute a major obstacle to sustainable development in the new era of the 2030 Agenda.

If African countries could not afford to lose such resources in the best of times, they certainly cannot afford it now in the aftermath of the COVID-19 crisis, which has triggered major economic contractions in most developing countries.

We have made the commitment to bring illicit financial flows to an end.

In the Addis Ababa Action Agenda, countries committed to eliminating illicit financial flows, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation.

SDG 16 on peace, justice and strong institutions also addresses illicit financial flows through a dedicated target, associated with an SDG Indicator.

Yet, despite years of efforts by the international community, illicit financial flows remain a chronic and ubiquitous problem for many developed and developing countries, while African countries suffer the most.

There are three main components of illicit financial flows: those related to tax; those related to corruption; and those that originate from transnational criminal activity. Each component, in its own way, can contribute to fuelling instability and impeding progress in sustainable development. In Africa, these effects are often felt quite acutely.

As I stated many times before, the origins of many conflicts and disputes around the world can be traced to systemic inequalities. Illicit financial flows are part of system that perpetuates systemic inequalities: they contribute to suppress some and sustain the power of others, generating disequilibria that create a plethora of socio-economic challenges that affect all but have biggest impact on the poorest and most vulnerable groups.

In the year of taking stock of the progress of African Union's "Silencing the Guns" initiative, it is nothing short of criminal to allow the bleeding of the resources from the continent to continue, especially during the time of this pandemic.

I believe we should promote actions in the three following area.

First, scale up support to counter illicit financial flows and corruption, building on successes from African Member States, and addressing linkages with priority challenges.

Second, address the deficiency in the current legal and institutional framework. On this, the FACTI Panel will provide recommendations for the international community in its final report early next year.

Illicit financial flows are a global challenge that requires global solutions. We need all countries, including transit and destination countries, to jointly take the responsibilities. African countries have taken bold leadership on illicit financial flows, starting with the AU-ECA High-Level Panel on Illicit Financial Flows from Africa. All Member States now need to grapple with this complex topic and come to bold new agreements.

Third, I think special mention should be made of asset recovery and return. The international community needs to strengthen the frameworks for the return of stolen assets. These assets, once returned, should be invested in sustainable development, contributing to the silencing of the guns.

We will endeavour to build a holistic response to the challenge of illicit financial flows at the ECOSOC Financing for Development Forum next April and at the High-level political forum in July, as SDG 16 will be under review this year.

It must be a response of political solidarity; a response that prevents massive human suffering and a reversal of the development aspirations of hundreds of millions of people; a response that avoids a climate catastrophe; a response that restores international relations on to the path of cooperation, stability and peaceful co-existence.

As the President of the Economic and Social Council, I am proud that the Council is continuing its efforts in elaborating policy options and building a coordinated approach to address the issue of illicit financial flows. I remain committed to support this endeavor.

Thank you.