



## **Progress Report on the Implementation of the Recommendations of the High-level Panel on Illicit Financial Flows from Africa and the Special Declaration of the AU Assembly on Illicit Financial Flows from Africa.**

### **I. Introduction**

1. The High-level Panel on Illicit Financial Flows from Africa was established in February 2012 following Resolution 896(XLIV) of the fifth Joint Annual Meetings of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development and the African Union Conference of Ministers of Economy and Finance.
2. The Panel, chaired by Mr. Thabo Mbeki, former President of South Africa, brings together eminent personalities from within and outside Africa who share a common concern and expertise in varied aspects of Africa's development.
3. The primary mandate given to the Panel was to explore and gain a comprehensive understanding of the nature of Illicit Financial Flows (IFFs) out of Africa and assess their impact on development on the continent. The work of the Panel was built on a foundation of focused research on IFFs, in-depth regional consultations and a well-targeted advocacy plan entitled "Track It! Stop It! Get It!".
4. The report of the Panel was presented to African Heads of State and Government at the Twenty-Fourth Ordinary Session of the Assembly of the African Union held in January 2015, in Addis Ababa, Ethiopia. Demonstrating their shared concern on the issue of IFFs from Africa, the Heads of State and Government endorsed the Report and issued a special Declaration on IFFs. Among others, the Declaration called for the continued engagement of the Chair and the other Members of the Panel to carry out advocacy work by effectively disseminating the Panel's Findings and Recommendations, thus to increase collaboration between African countries and their global partners and ultimately promote a better understanding of the scale of the problem for African economies. The Recommendations in the Panel's Report underpinned the discussions and outcome adopted at the July 2015 Third International Conference on Financing for Development held in Addis Ababa, and were integrated in the Sustainable Development Goals (SDGs) adopted at the United Nations Sustainable Development Summit held on 25 September 2015.
5. The Panel has engaged stakeholders on the Continent and beyond in its work towards achieving the objectives of using advocacy and sensitization to create a real and broad coalition of support with regard to the implementation of the Recommendations made in the Report. It also continued to follow up on the implementation of the Recommendations by various actors with a view to mobilizing concrete action and coherent support for the African Union's Special Declaration on IFFs, as well as the decisions in the Addis Ababa Action Agenda and the SDGs.

6. The Panel is submitting the present Progress Report to outline the activities undertaken to disseminate its Findings and foster coherent and coordinated implementation of the Recommendations. The Report is also intended to provide insights on issues that have emerged since the endorsement of the Panel's Report by the January 2015 AU Assembly.

## **II. Dissemination of Findings and follow-up on the implementation of the Recommendations**

7. The Panel acted on the Special Declaration of the African Union by undertaking consultations on the Continent and engaging some global stakeholders. The Panel used the mobilizing slogan, "Illicit financial flows from Africa: Track it. Stop it. Get it", to underpin its advocacy efforts.

### **A. Sub-regional consultations**

8. The first sub-regional workshop on curbing illicit financial flows from Africa was held on 14 and 15 September 2015 in Nairobi. It was held as part of activities being undertaken to implement the Recommendations of the Report of the High-level Panel on Illicit Financial Flows from Africa and was jointly organized by the African Union Commission, the Economic Commission for Africa, the African Capacity-Building Foundation and the Open Society Initiative for West Africa. The workshop was attended by members of parliament, revenue and customs authorities, financial anti-corruption units and financial ethics commissions of member States from the Eastern and Southern sub-regions of Africa. It was attended also by regional financial, revenue and customs organizations, professional associations, academic leaders and experts, development partners and civil society organizations working on IFFs in Africa.

9. The second sub-regional workshop was held on 10 and 11 November 2015 in Accra and targeted stakeholders and other participants from the Central, West and North Africa sub-regions. Again the participants came from a wide spectrum of organisations.

10. The main objective of the workshops was to continue advocacy efforts and initiate practical actions to implement the Recommendations of the Panel as adopted by the AU Assembly. In particular, the workshops focused on;

- (a) Identification of capacity development needs at national, sub-regional and continental levels, for tackling IFFs;
- (b) Further sensitization of national and regional actors on the magnitude and impact of IFFs from Africa using the Findings of the Report;
- (c) Raising awareness of the legislative action required to stem IFFs at the national, sub-regional and Continental levels;
- (d) Sharing of information on potential tools for the implementation of the Panel's Recommendations with relevant stakeholders; and,
- (e) Building consensus on actions required at the global level.

11. The workshops served as a platform for an exchange of views on the Findings and Recommendations of the Panel, followed by in-depth discussions on specific actions to support the implementation focusing on the following key topics:

- (a) Strengthening institutional, regulatory and human capacities;
- (b) Increasing advocacy for commitment, collaboration and reform;
- (c) Strengthening normative frameworks to stem IFFs;

- (d) Strengthening technical capacities for speedy recovery of illicit and stolen assets;
- (e) Addressing abusive transfer pricing and trade mispricing;
- (f) Following up on the global processes.

12. For each of the topics addressed by the workshops, African and non-African institutions that have a comparative advantage in each topic were identified. The selected institutions were invited at the level of the head of the institution or a relevant department within it to share their experience and lead the discussions with participants on their assigned topic. The African Capacity-Building Foundation, the Civil Society Coalition for Africa represented by the Tax Justice Network Africa, the Pan African Lawyers Union, the African Tax Administration Forum, the African Legal Support Facility, the South Centre and Hogan Lovells International provided detailed information on ongoing efforts and presented relevant strategies and tools they propose to assist African countries in curbing IFFs, focusing on:

**1. Strengthening institutional, regulatory and human capacities**

13. The Sessions on this topic at both workshops underlined the importance of the development and retention of capacities to stem IFFs as well as the key capacity challenges in this regard. It was agreed that strengthening institutional, regulatory and human capacity is ultimately based on the comprehensive design of appropriate capacity building strategies for each country/region as well as adequate domestic financing and inter-institutional coherence, cooperation and coordination. Broad-based targeting of stakeholders and multi-sectoral approaches were also identified as critical success factors. The African Capacity Building Foundation's pilot model was proposed as beneficial to covering the whole spectrum of investment in capacity building and development activities as well as technical advisory services.

**2. Increasing advocacy for commitment, collaboration and reform**

14. Drawing on their experience in matters of advocacy for action, the Civil Society Coalition for Africa's "Stop the bleeding" campaign, an anti-IFF advocacy campaign led by the Coalition, was a major focus of the discussion on this topic. The campaign was launched with the overall goal to mobilize citizens across African countries and galvanize broad support to demand for measures to tackle IFFs, including the implementation of the Recommendations of the Panel's Report. It was agreed that further engagement with African Governments is necessary, particularly in the area of tax avoidance. Going forward, the importance of an enabling environment for civil society organizations to engage on policy reforms was highlighted.

**3. Strengthening normative frameworks to stem IFFs**

15. This discussion on this topic focused on the need to develop legal instruments and institutional mechanisms to stem IFFs from Africa. The Pan African Lawyers Union underlined the breadth of legal instruments and initiatives available at the international and regional levels across the three sources of IFFs from Africa (commercial activities, criminal activities and corruption). The input focused on addressing IFFs by strengthening national legal systems through the development of strong implementation mechanisms of legal instruments and the domestication of the IFF agenda, amending existing laws that have gaps that allow illicit outflows of money and encouraging the use of alternative dispute resolution systems to recover stolen assets from multinational corporations.

16. In this regard, the need for an Africa-wide institutional framework or normative instrument for effectively addressing IFFs whilst speaking to African interests and feeding into global initiatives was found necessary. The

institutional framework will provide tools for use by Member States, together with regional and global partners, to track and recover IFFs and to monitor and evaluate progress.

#### **4. Strengthening technical capacities for illicit and stolen assets recovery**

17. The model double taxation agreement was examined and it was stressed that the avoidance of double taxation benefits member States by removing barriers to cross-border investment and trade, providing certainty of tax treatment, and preventing fiscal evasion through the exchange of information. The African Tax Administration Forum proposed its new model double taxation agreement, which works hand in hand with existing Organization for Economic Cooperation and Development (OECD) and United Nations models to suit African countries and provides new commentary for provisions not dealt with by the OECD or the United Nations.

18. The national and regional measures for sovereign asset recovery and repatriation were discussed and it was highlighted that African countries must share best practices for the recovery of illicit and stolen assets in order to succeed across the region. A harmonized approach and one voice for asset recovery through the Pan African Parliament (PAP) was also proposed. Going forward, the AfDB African Legal Support Facility pledged continuous support to legal and technical advisory services in terms of country specific as well as regional measures needed by African member States. This will result in recovering stocks of illicit and stolen assets as well as developing and strengthening partnerships with multilateral and bilateral agencies.

#### **5. Addressing abusive transfer pricing and trade mispricing**

19. A Transfer pricing risk assessment tool expected to assist African countries in assessing their risk profiles in relation to abusive transfer pricing for all multinational corporations operating in the continent was presented. Through three stages of analysis built in the tool, tax authorities would identify targets and understand where they are more likely to recover revenue or be successful in negotiations or cases against multinational corporations and push through a sizable adjustment in taxes due. The discussion focused on “Customs valuation, transfer pricing, duty liability and risk management”, stating the basic and vital elements of customs valuation particularly in its relation to curbing IFFs. It also stressed that the key element required to achieve this is the exchange of tax information between countries and a focused government approach to customs valuation and risk. With regard to the role of customs in curbing IFFs, it was proposed that all cross-border flows and international trade transactions come under the authority of a each country’s customs authorities.

#### **6. Follow-up on global processes**

20. The current context of global financing for development and the challenges of financing sustainable development as well as the need to follow up to the Addis Ababa Agenda for Action, Agenda 2030 and AU Agenda 2063 were outlined. With regard to the Sustainable Development Goals (SDGs), the agreed upon SDG target 16.4, which speaks specifically to the significant reduction of illicit financial and arms flows, was highlighted to illustrate the global awareness of the issue of IFFs.

21. The African Tax Administration Forum participated in the drafting of the OECD Base Erosion and Profit Shifting (BEPS) regulations and other global processes addressing international tax evasion and avoidance. The aim of this participation was to ensure that these processes set international best practices that take realities of African countries into account.

22. Overall the workshops highlighted the importance of furthering the work of the Panel and focused on the need to deepen research on IFFs, the key role

of Financial Intelligence Units, fostering international cooperation, and the need to strengthen capacities nationally and regionally.

## **B. Global advocacy**

### **(i) Visit to Washington DC and New York**

23. The Chair, accompanied by three Panel members and the Secretariat, visited the United States and engaged the Government of the United States, the World Bank and the International Monetary Fund. The Panel met also with the Secretary General of the United Nations and addressed members of the UN Economic and Social Council as well as the African Group of Ambassadors to the United Nations. The Chair took the opportunity to also interact with representatives of the private sector, academia and relevant civil society organizations based in Washington and New York.

24. At each meeting, the Chair highlighted that IFFs from Africa were large and growing and impacting negatively on development. He spoke to the specific Findings and Recommendations of the Report pertaining to the target audience and stressed the importance of and the kind of cooperation Africa needs to stem IF Outflows from the Continent.

25. In Washington DC, the Panel held a series of meetings with the National Security Council, the State Department and the Treasury Department. All three arms welcomed the attention being drawn to this issue by the Panel and agreed that there is need for both the United States of America and African Countries to develop a cooperative, working relationship towards the systematization of agreed action plans and the work ahead to curtail IFFs. The Panel and the National Security Council agreed to establish a formal institutional mechanism to coordinate their activities on the IFF matters.

26. In the discussions, issues raised included: (i) the fact that the disclosure of beneficial ownership is crucial to confront anonymous companies that evade tax; (ii) the preparation of a plan by each country to stem IFF as agreed on at US-Africa Summit of 2014; (iii) compliance with the Dodd Frank Act requirement for any American company in the extractive sector, to declare assets and taxes in each country in which they operate in Africa; (iv) the need for African counterparts in the legal prosecution and investigation departments to facilitate cross judicial processes necessary to aid in the recovery of stolen assets; (v) the need for an effective way to increase transparency and accountability, such as the adoption of an open code program which allows Finance Ministries to examine the revenues generated by extractive companies operating within the borders of each country for budget planning purposes; (vi) tax administration, which is one area which is at the forefront of the work undertaken so far to deal with matters related to building capacity in transfer pricing; and (vii) the need to tackle and eliminate financial secrecy jurisdictions..

27. The Panel called on the Government of the United States of America to play its role in terms of helping to lead anti-IFF global efforts in the World Bank, IMF, G7, G20, US-EU partnership and the OECD. The Panel further called on the United States of America to help champion a global architecture for tackling Illicit Financial Flows particularly as, in some instances, IFFs provide resources for financing global and regional terrorism. On the issue of beneficial ownership, there was an understanding that the disclosure of who owns entities is one of the important elements that would lead to creating financial transparency. Finally, it was agreed that the governance of frozen assets needs to be looked at, and the recommendation that frozen assets be deposited into an ESCROW bank account in a regional Development Bank, and,

in the case of Africa, the African Development Bank while legal processes are ongoing to recover the stolen assets, should be investigated.

28. In the meeting with the Board of Directors of the World Bank, the Chair indicated that more needs to be done by the destination countries to reduce Africa's illicit outflows and underscored the importance of the World Bank's action plan that would contribute to this effort. The Panel stressed the need for the World Bank and other institutions such as the International Monetary Fund and OECD to work together in the fight against IFFs. It was stressed that the issue of IFFs needs to be understood in its order of magnitude not necessarily in terms of exact numbers, as it is recognised the volumes are large and growing. The World Bank expressed commitment to move the anti-IFF agenda forward by taking action and assisting the Panel in the implementation of its Recommendations. It was working on its Action Plan which will be country focused and since published a study on IFF.

29. The Delegation also met with senior officials and the African Executive Directors of the International Monetary Fund, where the Panel reiterated that the Fund and all other stakeholders have to grasp the issue of IFFs in its order of magnitude rather than in terms of any exact numbers. The Deputy Managing Director recognized the calls for the Fund to be more involved and agreed that IFFs not only affect African countries financially but also weaken their capacities. As such, the Fund will work, within its mandate, on several broad areas which are believed to have been and will continue to contribute to the work of the Panel. These include domestic resource mobilization, anti-money laundering, statistics and macroeconomic and financial stability.

30. The Delegation also interacted with the academia and civil society organizations based in Washington on the occasion of the launch of the Panel's Report at the Brookings Institute. It was agreed that continued research and advocacy efforts are necessary to keep the pressure on and ensure that the IFF matter remains on the global agenda.

31. The meeting with the United Nations Secretary-General preceded the interaction of the delegation with the UN Economic and Social Council. It was recognized that IFFs affect many regions and we must act to prevent these resources from being lost if we are to implement various agenda, not least SDGs. The Chair stated that while the Panel's focus was Africa, the solution to the IFFs is global. He further highlighted that what Africa initiated for itself, to address this phenomenon, has now become a global agenda. With regard to the indicators of the SDGs, it was agreed that in looking at the indicators particularly as they relate to IFFs, it is important that a practical plan of action is agreed that will enhance the Addis Ababa Action Agenda on IFFs.

32. The Panel's session with the Economic and Social Council highlighted that there is universal consensus on the need to stop IFFs and that it is necessary to decide on the appropriate course of action to take, considering particular challenges that exist for African countries to act effectively, such as poor or lack of institutional capacity. It was proposed that a system of cooperation between the African Union and the Economic and Social Council should be constructed to ensure that the work to curtail IFFs is efficiently streamlined and carried out. In the ensuing interaction between the delegation and the members of the Economic and Social Council, Permanent Representatives pledged their support for the work of the Panel. They expressed the view that the Panel's Report underlined all factors affecting IFFs from Africa and is a frank diagnosis of the plague hampering the development of many countries.

33. The Panel also met with representatives of the private sector and civil society based in New York. The Chair, in his briefing, stressed that in order to reinforce the capacity for all parties in the financial sector (both private and government), all would need to act on this issue collectively. He indicated that

curtailing IFFs is going to require a sustained and coordinated push. More so, if this matter is acted upon properly, it can generate resources that would make a great difference in Africa's development. It should also not be ignored that African administrations have weaker capacity to combat IFFs compared to that of the multinationals that engage in IFFs within their countries. It was also clarified that the Panel does not look to impeding legitimate and lawful foreign companies who bring investments to Africa, but rather to help ensure that the companies which invest in Africa do not engage in activities which result in the theft of Africa's wealth.

34. Several concerns were raised in the meeting including: (i) funds being repatriated must be used for the development of African countries. Thus, good regulation, better rule of law, law enforcement in Africa would go a long way in creating tax compliance; (ii) zero and/or low tax jurisdictions are the reason for trade mis-invoicing and transfer pricing. Therefore, unless more stringent measures are taken at the global level, this problem will not be solved; (iii) the automation of procurement processes is an important aspect of trade finance; (iv) it should be recognized that government agencies could be prone to protecting their multinationals. As such, the passage of laws and regulations without their efficient enforcement is unlikely to truly deter the illicit behaviours of some multinationals; (v) new legislation relating to beneficial ownership is present but it is useless without conducting due diligence with protocols, checks and controls being put in place.

## **(ii) Visit to Europe**

35. In Europe, the Chair of the High Level Panel on Illicit Financial Flows from Africa and his Delegation met the Secretary General, Mr Angel Gurría and senior officials of the Organisation for Economic Co-operation and Development (OECD). The working lunch began with the Secretary General outlining all of the OECD's past and ongoing initiatives pertaining to money laundering, tax evasion and the anti-IFF agenda. Several OECD initiatives, relevant to the work of the Panel include:

- OECD Integrity Forum (2016) which is an annual conference aimed at supporting governments and organisations to strengthen integrity, build trust, and fight corruption.
- Tax Inspectors without Borders where the OECD has been effectively working with Kenya, Ghana, Vietnam and several other countries.
- Oslo Dialogue which was created to encourage inter –agency cooperation
- Global Forum on Transparency and Exchange of Information for Tax Purposes which was created in the context of the OECD's work to address the risks to tax compliance posed by non-cooperative jurisdictions. The OECD indicated that despite all of its ongoing work as well as the inclusion of IFFs in the SDGs and the Addis Ababa Action Plan, there is still a relatively low level of subscription to these initiatives by African governments. Regarding the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, it was reported that only 12 African countries are signatories, and of the 133 members of the Global Forum, 21 are African. Thus, the Secretary General called on the Chair to engage African Governments on the benefits of OECD initiatives relevant to the Panel's work so as to increase their participation in these initiatives, promote the international exchange of information on tax and improve financial transparency globally.

36. It was agreed that there needs to be systematic collaboration between the OECD and the Panel. Accordingly, a Framework of Cooperation will be negotiated and agreed.

37. The Framework of Cooperation will enable the Panel to ensure that African countries benefit from all existing interventions, including those relating to mutual administrative assistance on tax matters. The OECD, ECA and AU will follow up on the preparation of a template to track illicit financial outflows and report on progress in this regard as well as in the context of achieving Sustainable Development Goals and the implementation of the related decisions of the Addis Ababa Action Agenda on Financing for Development.

38. In addition, the Panel was informed that OECD is currently working on an inventory of all its activities with African countries which it intends to deliver to the AU. The aim of this is to identify areas where the OECD can further engage and cooperate with the African countries.

39. At the session of the Panel with OECD Member States, the Development Assistance Committee (DAC) and the Secretariat, the Chair clarified that although the prime responsibility on the issue of DRM and FFD rests on the African side, development cooperation continues to be crucial.

40. The OECD Member States and Secretariat observed that despite their hands-on approach, useful instruments, and interesting initiatives, as well as the increasing opening up of the OECD, all of which are geared towards addressing financing for development, the organization suffers from a branding issue. The benefits of transparency and exchange of information are real, and can be demonstrated in Africa and other parts of the world. There is a need for greater political support at appropriate levels to promote this effort and encourage African States to join the Africa initiative of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

41. The implementation of these standards would strengthen the capacities of the tax authorities. It was further highlighted that the work of the Panel is very valuable in the context of the tax initiative launched in Addis Ababa, as it addresses the twin challenges of better collection of tax, and the capacities and the cooperation challenges in this regard. Thus, OECD member States called on the Panel, AUC and ECA to encourage more African countries to take part in these initiatives. It was agreed that the OECD will collaborate with African institutions, namely the AU, AfDB and ECA to elaborate a template and support the efforts to track illicit financial flows from Africa.

42. The session concluded with an understanding that implementing the SDGs and the Addis Ababa Action Agenda, focused on significantly stemming IFFs, will require a multidisciplinary approach and enhancing the capacities of African States institutions, including the tax authorities.

43. The Panel held a session with the European Parliament (EP) in Brussels. The session was attended by members of the EP delegation to the ACP-EU Joint Parliamentary Assembly, members of the EP Committee on Development (DEVE Committee) and members of the EP Committee on Foreign Affairs (AFET Committee).

44. The Chair of the Panel highlighted that ending IFFs is an important matter for the Continent. It has become an important global agenda item and features in the SDGs and the AAAAA. However it takes a level of consciousness to reduce IFFs. He shared with the members of the EP that the Panel agreed with OECD to track IFFs. The Chair stated that this visit aims at determining how the Panel and the EP can work together to advance the implementation of SDG 16. He observed that Panama Papers raised awareness on this issue and called on the EP to look at what can be done to end secrecy jurisdictions. The



Chair pointed out that the disclosure of beneficial ownership is crucial and welcomed the United Kingdom's initiative to publish a registry of beneficial owners, which will significantly improve financial transparency and the automatic exchange of tax information. He further stated that country by country reporting has already started for the banking sector and it is important to look at how it can be expanded to other sectors. In concluding the Chair indicated that the experience of the EP in drafting laws would be beneficial to strengthen the capacities of African countries.

45. The members of the EP stated that the Panel made important Recommendations to advance the implementation of the SDGs and tax collection. They further stated that we need a global approach to fight tax avoidance and tax evasion.

46. More specifically, the members of the EP proposed several concrete actions, including the AFET Committee to look at how to:

- Extend the country by country reporting;
- Involve more developing countries in the BEPS processes;
- Ensure better distribution of revenues by addressing the problems with fiscal treaties.
- Develop stronger actions on both sides, i.e. the EU and Africa, towards eradicating corruption.

47. The members of the EP who spoke during the session stated that this issue is not only economic but political. Thus political governance and democratization in source countries are important factors that influence IFFs. Thus, there is a need to focus on concrete cases that make a difference and also to protect whistle-blowers.

48. The members of the EP further expressed the need for the creation by the EU of a system that looks at how MNCs publish their results, so that they can account for their activities both within the EU borders and outside. They called on the Panel to encourage African countries to join the tax initiative. They further requested the Panel to encourage the active involvement of African countries in the OECD and its BEPS process.

49. In responding to questions from the members of the EP, the Chair of the Panel stated that the Panel's Annual Report to AU Summit will be used to assess whether the legislative framework is adequate and state institutions are functioning optimally and in coordination. He further stated that the Panel will report on how individual African countries are dealing with this matter, in addressing the issue of tax, corruption and the social impact of illicit economic activities. He observed that the Panel recognizes that there should be mechanisms and systems properly to manage natural resources, such as mining and forestry. The Panama Papers allowed the world to appreciate the phenomenon of the use of tax havens and financial secrecy jurisdictions to facilitate the IFFs. This further emphasised the urgent global need to deal with and eradicate this problem.

50. The Chair of the Panel, accompanied by a member of the Secretariat, also met senior Officials of the European Central Bank (ECB) in Frankfurt, Germany. The Panel presented copies of the Panel Report to the Officials. It explained its contents and the objectives being pursued by the African Union in this regard, including within the context of the AAAA and the SDGs. The ECB Officials expressed the full support of the Bank for the work of the Panel and the global offensive against the IFFs. In this regard they expressed the readiness of the ECB to give all necessary and possible support to the African Central Banks effectively to discharge their responsibilities. They confirmed that the ECB remains ready to interact and cooperate with the Panel as need arises.

## **C. Representation at various meetings and conferences**

51. The Chair, Panel members and the Technical Committee continue to be invited to make presentations and interact with various fora on the question of Illicit Financial Flows, including, but not limited to, the Pan-African Parliament, the Global Forum on Tax, World Bank and IMF African Caucus, African Tax Administration Forum, World Bank and IMF Meetings. It has therefore participated in many of these interactions.

## **D. The way forward**

52. In the light of the growing attention on the Continent and the dialogue at the global level on the IFFs since the Panel's Report was endorsed and adopted by African Heads of State and Government, there is a need adequately to follow up on all critical issues raised by the stakeholders on the Continent and globally. In order to ensure a coherent approach to implementation of the Recommendations of the Report as featured in detail in the outcome document from the Third International Conference on Financing for Development, it is crucial to underline the importance of ensuring that concrete action against the IFFs is taken at all three national, regional and international levels.

53. Accordingly the Secretariat of the Panel, the African Union Commission and the Economic Commission for Africa have taken the lead to initiate a mechanism to foster strong collaboration and consistent engagement among the African governments, African institutions and the development partners on the process of stemming the Illicit Financial Flows.

54. This was started at the "Stakeholders Workshop on the implementation of the Recommendations of the High-level Panel's Report on IFFs from Africa", co-organized by the Economic Commission for Africa and African Union Commission on 14 and 15 June 2015 in Addis Ababa. Given the numerous stakeholders and actors involved in the implementation of the Recommendations and the related international decisions, a systematic and coherent framework of collaboration is needed. The Panel, the African Union Commission and the United Nations Economic Commission for Africa have worked tirelessly to bring together all relevant stakeholders including the African Union and its organs, the Economic Commission for Africa, the African Development Bank, the regional economic communities, the Pan-African Parliament, the African Capacity-Building Foundation, the Pan-African Lawyers Union, regional trade unions, South Centre, Global Financial Integrity, civil society organizations and UNDP. These efforts are aimed at fostering coordinated and streamlined support for the implementation of the African and international decisions on the IFFs relying on the comparative capacities of the various organisations. These stakeholders have committed themselves to act to help reverse the Illicit Outflows, acting both on the specificities in the various countries, as well as at the global level. As a result, a draft implementation work plan will be developed to break down the recommendations into concrete and deliverable outputs with specific activities.

55. The AU/ECA IFF Secretariat has also established a forum to strengthen the African alliance against IFFs. This was based on the agreement that a Consortium of stakeholders to coordinate African action to implement the Recommendations of the Panel and ultimately stem IFFs from Africa was necessary. Besides ensuring streamlined collaborative efforts on the anti-IFF agenda, the main purpose of this Consortium is to leverage partnerships and provide overall strategic direction of the efforts to reduce IFFs from Africa. Among several other objectives, the Consortium is expected to:

- (a) Provide strategic oversight on the interventions to counter IFFs;

(b) Guide joint delivery on the basis of comparative advantage and pooling of resources effectively to stem the IFFs from Africa; and,

(c) Contribute to the Annual Report on curbing IFFs which is to be submitted annually to the African Union Assembly of Heads of State and Government.

56. The Panel is convinced that it must have the necessary capacity to help ensure that all Member States of the African Union and the global community of nations take the now globally agreed actions to stem and end the Illicit Financial Flows. It is therefore preparing specific proposals to strengthen the capacity of its Secretariat which is based at the UN ECA in Addis Ababa. The Panel hopes that the AU, its Member States, the UN and the Partners of the AU will support the Panel in this regard.<sup>53</sup> The Panel will take steps immediately to interact with all Member States of the African Union to ensure that its next Annual Report to the AU Assembly details actions which the AU Member States will have taken to help realise the objectives detailed in the Special Declaration on the IFFs which was adopted at the Twenty Fourth Ordinary Session of the AU Assembly.