

## **Panel's efforts to curb illicit financial flows from Africa receives U.S. support**

- U.S. Department of State welcomes the work of the Panel
- U.S. Treasury, World Bank, International Monetary Fund and Corporate Council for Africa highlight importance of capacity building and global coalition

Washington D.C. 5 February 2014 - Efforts by the High Level Panel (HLP) on Illicit Financial Flows (IFF) from Africa to curb the outflows that have crippled Africa's efforts to sustain economic growth and develop over the last decades received support from Assistant Secretary of State for African Affairs, Ms. Linda Thomas-Greenfield.

In a meeting with the Panel led by its Chair, former South African President Thabo Mbeki, Thomas-Greenfield said that the U.S. and the African continent had a "shared responsibility" to curb illicit financial flows and illegal activities, which impact negatively on development efforts in Africa.

"The U.S. Department of State is committed to the success of your efforts. The work that you are doing is important, as curtailing the illicit outflows from Africa would have a dramatic impact in boosting development initiatives."

Similar sentiments were echoed in high-level meetings held with representatives of the U.S. Treasury.

The HLP has been meeting with U.S. officials this week to raise awareness about the scale, the manifestations and the effects of illicit outflows on the economies of Africa. The U.S. visit will also give the Panel an opportunity to draw on the experience of U.S. authorities who have been engaged in fighting money laundering, one important component of IFF.

"We want to draw on your experience to find practical and practicable solutions in our efforts to help African government curb IFFs," HLP Chair Thabo Mbeki said.

During its visit, the Panel also held meetings with representatives from the World Bank and the International Monetary Fund, two institutions, which have been working with African policy makers to develop capacity-building programs in the fields of assets tracking, tax evasions and revenue management on the African continent.

While welcoming the efforts of the Panel, representatives of the World Bank underlined the importance of capacity building at government level.

“One of the main lessons we have learned while working with African governments is that there are huge capacities issues,” said Mokhtar Diop, the Bank’s Vice-President for Africa. “This leads to inequity of negotiations between African governments and powerful multinational companies. Capacity building, public finance and procurement management would help improve matters.”

Experts from the Bank said that it was important that the Panel and developed governments worked together at creating a coalition of support to curb IFFs at both the origin and the destinations of the illicit outflows. “Mutual accountability is important. This could be achieved by leveraging with global dialogues taking place in international fora,” they said.

Experts from the IMF also welcomed the work being done by the HLP and encouraged the Panel to identify factors – in the broad context of IFF, which would make Africa more attractive to foreign direct investments.

The HLP was established by the Joint African Union Economic Commission for Africa Conference of Ministers of Finance, Planning and Economic Development and inaugurated in February 2012 in Johannesburg. The Panel’s mandate is to address the debilitating problem of IFF estimated at \$50bn a year.

The HLP also held broad ranging and productive discussions on its assignment with a cross section of stakeholders from think tanks, civil society organizations and the private sector at sessions organized at the Brookings Institution and at the Corporate Council for Africa.

The Panel will be meeting with stakeholders in New York on 06 and 07 February before traveling to Europe for similar consultations.

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