

ASSEMBLY SPECIAL DECLARATION ON ILLICIT FINANCIAL FLOWS
Doc. Assembly/AU/17(XXIV)

We, the Heads of State and Government of the African Union, having met at our Twenty Fourth Ordinary Session of the AU Assembly in Addis Ababa, Ethiopia, from 30 to 31 January 2015;

Recognizing the Conference of Ministers Resolution 886 (XLIV) which established the high-level panel on Illicit financial flows from Africa,

Concerned with the increasing scale and extent of Illicit Financial flows from Africa, particularly from our extractive industries and natural resources which constitute a drain on the resources required for Africa's development. Whereby, it is estimated that Africa has lost up to US\$ 1.8 trillion between 1970 to 2008 and continues to lose extensive finances estimated up to US\$150 billion annually through Illicit Financial Flows (IFF) or "Illicit Capital Flight" mainly through tax evasion, mispricing of trade and services by multi-national companies;

Aware that the problem of illicit financial flows is exacerbated by corrupt tendencies of government agencies, lack of or weak African institutions both at national and continental levels in all sectors, governance challenges, political instability and conflicts, weak tax administration, and lack of capacity to monitor and curb such criminal activities among others;

Realising the growing need for domestic resource mobilisation for the attainment of our continental development visions and goals particularly Agenda 2063 and the Common African Position on the post 2015 Development agenda, which both call for inclusive growth, sustainable development and social and economic structural transformation of Africa through optimal utilization of our natural resource endowments;

Conscious that the amount of illicit financial flows from Africa is greater than the inflow of Overseas Development Assistance;

Convinced that curtailing illicit financial flows through, *inter alia*, institutionalizing prudent legal and regulatory regimes, including fiscal policies that disallow financial secrecy, fight corruption, institute and/or strengthen African institutions, build African member states capacity for contract negotiation, tax administration and identify and return the resources lost through illicit financial flows can greatly contribute to the alternative sources of financing Africa's development agenda;

Further Convinced that the time is now for Africa's Renaissance, for the continent to regain ownership of its natural resources and to implement sound, prudent management and good governance, with a view to optimizing the benefits derivable from its natural resources in particular extractive sectors and mineral resources for present and future generations while limiting negative environmental and macroeconomic impacts;

Noting the diligence manifested and extensive amount of work undertaken by the High-level Panel on Illicit Financial Flows from Africa, involving extensive consultations with a range of stakeholders in Africa and partners in the United States of America and Europe,

Acknowledging the report of the High Level Panel, and taking note of its findings and recommendations,

Expressing appreciation to the chair H.E. Mr. Thabo Mbeki, Former President of the Republic of South Africa and members of the High Level Panel for the rigorous and comprehensive report produced,

Further Expressing Appreciation to African Governments and organizations and to Africa's partners and development agencies for their overwhelming support for the work of the Panel,

We hereby:

1. **ENDORSE** the findings and recommendations of the High Level Panel on Illicit Financial Flows from Africa;
2. **DECLARE** our **COMMITMENT** to end the chronic illicit financial flows from Africa which is a huge hindrance to sustainable social and economic development of our continent;
3. **RESOLVE** to ensure that all the financial resources lost through illicit capital flight and illicit financial flows are identified and returned to Africa to finance the continent's development Agenda. In this regard **DIRECT** AUC, supported by member states, to mount a diplomatic and media campaign for the return of illicitly outflow assets.
4. **FURTHER DECLARE** our **COMMITMENT** to adopt and implement the findings and recommendations of the High Level Panel on Illicit Financial Flows from Africa and in this connection, we **REQUEST** the Commission, in collaboration the Economic Commission for Africa, African Development Bank and the RECs to follow-up on the implementation of the recommendations of the High Level Panel report and submit progress reports on the achievements to the Assembly annually
5. **CALL UPON** the International community to adopt and implement the findings and recommendations of the High Level Panel on Illicit Financial Flows from Africa
6. **DIRECT** the Commission, the Economic Commission for Africa, and African Development Bank, to disseminate the findings and recommendations of the

Panel and undertake further research and capacity-development activities in this regard within the continent and at the global level;

7. **REQUEST** the continued engagement of the chair H.E. Mr. Thabo Mbeki, Former President of the Republic of South Africa and the Panel in carrying out advocacy work to disseminate the Panel's findings and to galvanize support from a broad coalition of partners including civil society and private sector to implement the Panel's recommendations;
8. **FURTHER REQUEST** the Commission, Economic Commission for Africa, African Development Bank, African Capacity Building Foundation and other development partners to build capacities of African Union member States and institutions, particularly in *contract negotiation, tax management, regulatory and legal frameworks, policies, money laundering, asset recovery and repatriation, and resource governance* for effective and optimal Management and Governance of our Natural resources.
9. **EXPRESS** the need to ensure that Illicit Financial Flows and their impact on domestic resources mobilization is given the necessary attention by the 3rd International Conference on Financing for Development, and in this regard, stress the need for robust international cooperation to address the problem.

