Check Against Delivery

ECOSOC informal briefing on illicit financial flows

17 February 2016

Opening remarks by

H.E. Ambassador Oh Joon,

President of the Economic and Social Council

Your Excellency, Mr. Thabo Mbeki, former President of the Republic of South Africa,
Excellencies,
Distinguished Delegates,

It is a distinct honour to welcome to the United Nations Economic and Social Council, His Excellency Mr. Thabo Mbeki, former President of the Republic of South Africa, and all the distinguished speakers at this briefing.

You will recall that in 2011, the 4th meeting of the Joint African Union Commission – UN-ECA Conference of African Ministers of Finance, Planning and Economic Development established the High Level Panel on Illicit Financial Flows from Africa. The task of the Panel, which was headed by President Mbeki, was to investigate the nature and patterns of illicit financial outflows from Africa, to establish the level of illicit outflows, and assess their implications for development. Today, we will have the privilege of hearing about this serious issue from His Excellency Mr. Mbeki in person.

In November of last year, I was honored to co-chair a joint meeting of the Economic and Social Council and the General Assembly's Second Committee, to discuss this issue. At that meeting, we heard some disturbing statistics; for example, that illicit financial flows from Africa could amount to an alarming US $50 billion per year – an amount exceeding the total annual ODA flows to Africa.

I will not dwell on the facts today as you will hear about them directly from our distinguished speakers. They are also amply reflected in the report of the High Level Panel.
Allow me, instead, to place this important issue in context. Africa is one region of the world that transited the MDG era with the most unfinished business. That region, as is well-known, carries the heaviest burden of poverty and underdevelopment.

Africa has now entered, together with the rest of the world, into the full range of commitments adopted in 2015 – particularly on sustainable development and climate change, and in many other areas of development.

We know that implementing the transformative agenda for sustainable development will present formidable challenges. These challenges will be no doubt steepest for Africa. Financing and the means of implementation will be, therefore, a key issue in delivering on these new commitments. Of course, the means of implementation are crucial for most countries. But for Africa, the need for financial resources is ever more critical, and this has rightly been acknowledged by the international community.

It is for these reasons that the question of illicit financial flows, of the dimensions cited in the report of the High-Level Panel, takes on an added urgency. This is underscored in the call of the 2030 Agenda for Sustainable Development, to significantly reduce illicit financial and arms flows, to strengthen the recovery and return of stolen assets and to combat all forms of organized crime.

It is worth noting that Goal 16 of the SDGs, which contains this call, also addresses the issue of peace and inclusive societies – thereby linking illicit financial flows to this broader issue without which there can be no poverty eradication or sustainable development.
The Addis Ababa Action Agenda contains a similar linkage. It calls for the redoubling of efforts to substantially reduce illicit financial flows by 2030, with a view to eventually

eliminating them, including by combatting tax evasion and corruption through strengthened national regulation and increased international cooperation.

The Economic and Social Council has an important role in ensuring that these measures are implemented. It will do so through the High Level Political Forum and the ECOSOC FFD Forum. This discussion will set the stage for our future work.

Distinguished Delegates,

Stemming illicit financial flows from Africa is both an African and international challenge. The call made by the High Level Panel for engagement with partner institutions to elaborate a global governance framework to address this problem, therefore deserves our full attention. Let us use all mechanisms at our disposal to identify collective solutions.