



**2023 African Parliamentary Network on
Illicit Financial Flows and Taxation Continental Meeting
(APNIFFT 2023)**

25th & 26th October 2023
Nairobi, Kenya

“Africa's Leadership in Combatting Illicit Financial Flows”

Concept Note

Organised by



Background

As global crises continue to pound as a result of a devastating global pandemic, adverse effects of climate change, wars, food crisis, and debt distress, Africa has continued to show the world its resilience in the face of the worst. According to the Africa Economic Outlook 2023, Africa's average growth is projected to stabilize at 4.1 per cent in 2023/2024, up from 3.8 per cent in 2022, which is above the global average¹. This upward trajectory offers a ray of hope for a continent endowed with abundant resources, which are more than enough to place the continent on the path of accelerated and sustained growth.

It has been well established that Africa holds large deposits of natural resource endowments such as arable land, freshwater sources, wildlife, forests, and about 30 per cent of the world's mineral reserves. These are a gateway to resource mobilisation and investments that can drive the continent towards the attainment of the United Nations Sustainable Development Goals (SDGs) and the African Union Agenda 2063. According to the United Nations, the continent will also be home to over 2 billion people by 2050, most of them young. This could benefit and turn the continent into a burgeoning market if it takes appropriate actions to reap demographic dividend from this growth.

But despite the resilience and endowment, the pace of poverty reduction in Africa has been slowest compared to other regions in the world. For close to two decades before the pandemic, Africa had made great progress in improving

the quality of life for its population. According to the Annual Development Effectiveness Review (ADER) 2023 published by the African Development Bank, extreme poverty dropped from 50 per cent in 1990 to 33 per cent in 2019 and 30 per cent in 2022².

Although the continent has shown notable resilience amid successive crises, the economic impacts have left an impact on the economic condition of the continent and the population. ADER 2023 further notes that these global crises have the continent with drastically reduced public resources needed to return the continent to a path of accelerated growth. The world is at crossroads as the climate crisis rears its huge influence on the future development trajectory. Africa, therefore, lies at the nexus of sinking further into the abyss of poverty and underdevelopment or emerging as a global leader in strong, inclusive, green, and sustainable growth.



[1] African Development Bank. (2023). *Africa Economic Outlook 2023*. African Development Bank (AFDB).
[2] African Development Bank. (2023). *Annual Development Effectiveness Review 2023*. African Development Bank Group (AFDB).

Rationale for the event

To meet its development aspirations, Africa will need additional resources to respond to global crises and to realign with the priorities of both the SDGs and Agenda 2063. According to Africa Economic Outlook 2022, the continent's additional financial needs for 2020-2022 were estimated at USD 432 billion. To raise such amounts, African countries will have to step up the mobilisation of resources through efficient and innovative means to finance sustainable and green economic growth. Africa's major challenge, however, is not in the availability of these resources but in the massive illicit financial flows (IFFs) that are draining the continent's ability to utilise its massive resources to finance development.

IFFs are a global phenomenon, but the situation in Africa is particularly dire, with the poorest populations bearing the heaviest burden. The continent experiences a high level of illicit financial outflows exacerbating the economic challenges and hindering opportunities for development and poverty reduction.

According to the Thabo Mbeki panel report on IFFs from Africa, the continent loses an estimated \$50 billion to \$80 billion annually through illicit financial flows³. This staggering figure significantly surpasses the amounts lost in other regions. Additionally, a report by Global Financial Integrity estimated that between 2000 and 2009, Africa accounted for approximately 34% of global illicit financial outflows⁴. The State of Tax Justice 2021 by the Global Alliance for Tax Justice (GATJ) and Public Services International (PSI) estimated that Africa lost USD 17.1 billion in 2021 due to tax evasion.

The consequences of IFFs in Africa are far-reaching. They impede domestic resource mobilisation, hinder investment in vital sectors such as education and healthcare and undermine efforts to reduce poverty and inequality. The diverted funds that could have been directed towards infrastructure development, social programs, and job creation are instead siphoned off, perpetuating a cycle of economic stagnation and limited opportunities. Moreover, the impact of IFFs extends beyond economic ramifications. It undermines governance, erodes trust in public institutions, and exacerbates social and political instability. The poorest populations, who already face numerous socio-economic challenges, such as the current spike in the cost of living, bear



Africa's vulnerability to illicit financial flows can be attributed to several factors. Firstly, the continent is rich in natural resources, which makes it an attractive target for extractive projects and other sectors prone to illicit activities. Weak governance structures, inadequate regulatory frameworks, and limited capacity for effective enforcement further contribute to the prevalence of IFFs.

the brunt of these consequences, as the resources that could improve their livelihoods are diverted elsewhere.

This disadvantaged position emphasises the urgency and responsibility of African nations to take the lead in addressing this issue, particularly the legislators. As the elected representatives of the people, parliaments in Africa have the task of ensuring participatory and people-driven governance. This is because their legislative role gives them a strategic position of promoting transparency in the executive through informed oversight and creating strong legal frameworks that can deter IFFs and protect the continent's resources.

For a continent on the cusp of an economic transformation, parliaments in Africa have within their reach the power to drive this by leading the combat against IFFs.

[3] High-Level Panel on Illicit Financial Flows from Africa. (2015). *Report of the High-Level Panel on Illicit Financial Flows from Africa*. United Nations Economic Commission for Africa (UNECA).

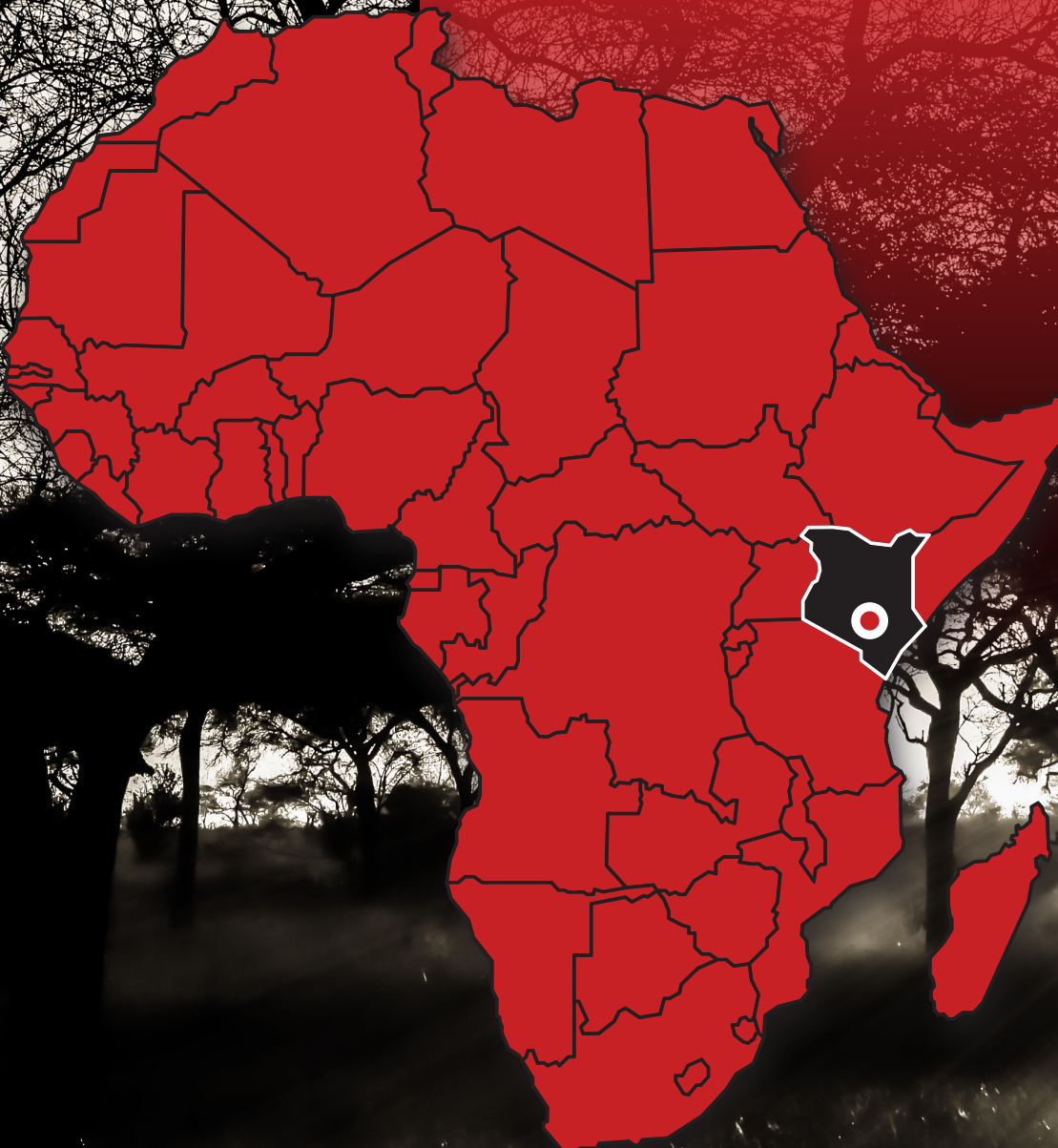
[4] Global Financial Integrity. (2013). *Illicit Financial Flows from Developing Countries: 2002-2011*.

2023 APNIFFT Continental Meeting (APNIFFT 2023)

When
25th & 26th October 2023

Where
Nairobi - KENYA

Theme
Africa's Leadership in Combatting Illicit Financial Flows



The African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) is a flagship programme coordinated by Tax Justice Network Africa (TJNA) with an overall objective to provide an opportunity for its members, the African legislators, to strategise, learn from each other and build their capacities in tackling illicit financial flows (IFFs) and tax injustices in the continent.

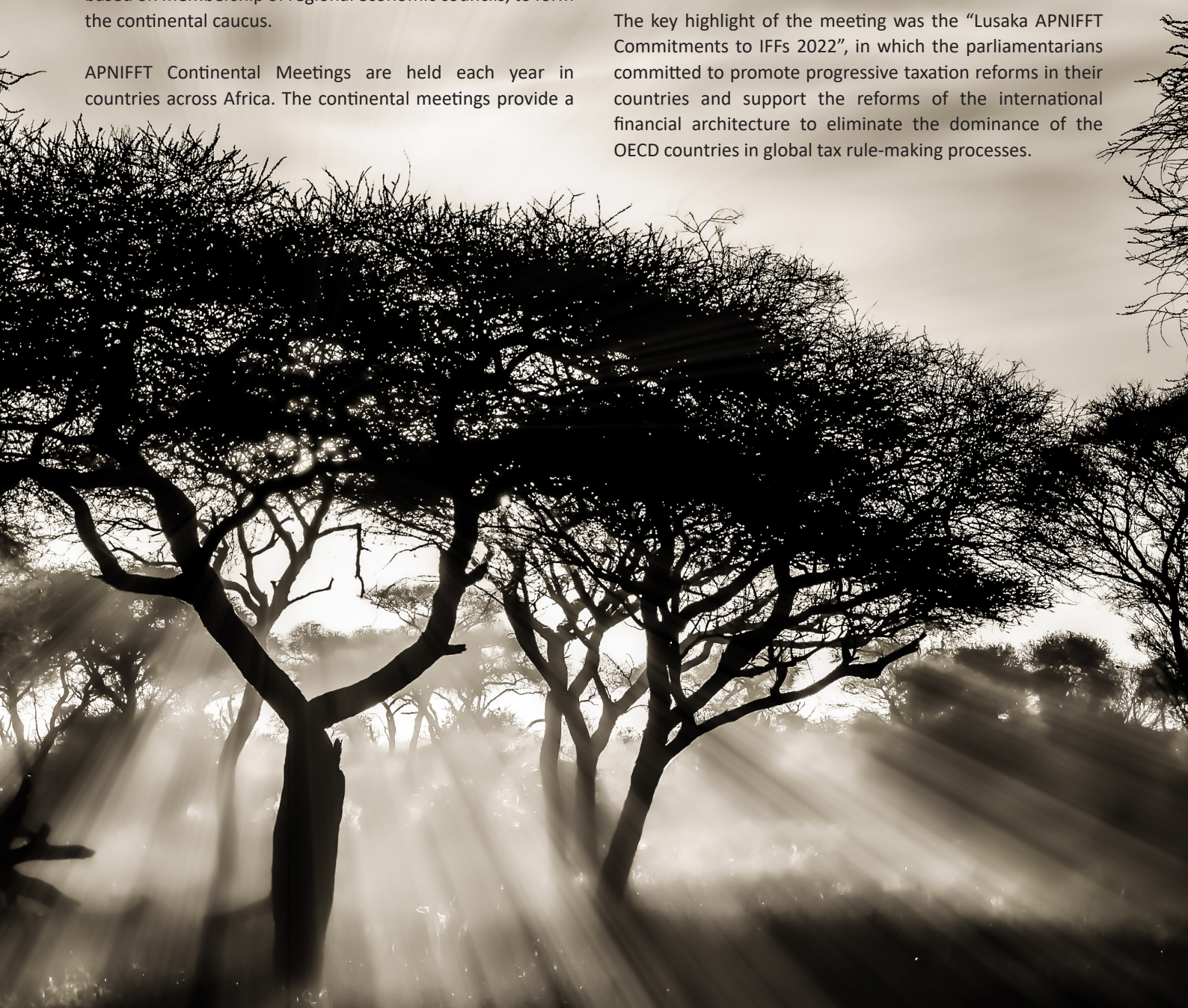
APNIFFT was first conceptualised in 2015 and eventually launched in 2017 by TJNA. Since its inception, APNIFFT's operational strategy has focused on national-level legislative interventions to combat the continent's IFFs and DRM issues. This has been operationalised through country-based parliamentary caucuses that now serve as a basic unit of engagement and mobilisation of Members of Parliament. These basic units then combine to form regional caucuses, based on membership of regional economic councils, to form the continental caucus.

APNIFFT Continental Meetings are held each year in countries across Africa. The continental meetings provide a

platform for parliamentarians, TJNA members, and tax justice stakeholders from all over the globe to engage in advocacy-related dialogue and debates in a simplified manner on illicit financial flows, tax governance, and Domestic Resource Mobilisation (DRM) in Africa.

APNIFFT 2023 is a follow-up to the 2022 Edition that was held in Lusaka, Zambia, from 26th to 27th September 2022, in collaboration with the Centre for Trade Policy and Development (CTPD). It was attended by over 100 parliamentarians from 21 African countries, including Angola, Burkina Faso, Burundi, Cameroon, Central African Republic, Democratic Republic of Congo, Eswatini, Ghana, Kenya, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Rwanda, South Africa, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

The key highlight of the meeting was the "Lusaka APNIFFT Commitments to IFFs 2022", in which the parliamentarians committed to promote progressive taxation reforms in their countries and support the reforms of the international financial architecture to eliminate the dominance of the OECD countries in global tax rule-making processes.



Main Objective

The overall objective of the 2023 APNIFFT Continental Meeting is to provide a platform for dialogue, benchmarking, and capacity building among Africa's parliamentarians to enhance collaboration, strengthen advocacy efforts, and foster legislative reforms to combat IFFs and promote transparent and accountable financial systems in Africa.

APNIFFT 2023 will focus on the following:

1. What are the experiences, successes, and challenges faced by Africa's parliamentarians in the development and oversight of legislation to combat IFFs and promote sustainable domestic resource mobilisation in the continent?
2. How can Africa's parliamentarians be empowered with the knowledge and skills necessary to effectively lead the fight against IFFs?
3. What partnerships and collaborations need to be strengthened to promote and mobilise political action among parliamentarians and strengthen work at national and regional levels in addressing IFFs and harmonising tax policies?
4. Which actionable policy recommendations can parliamentarians implement in their respective countries to combat IFFs?
5. How can the APNIFFT continental, regional and national caucuses be further strengthened to provide parliamentary leadership in the fight against IFFs in Africa?



Structure and Sessions

APNIFFT 2023 is a 2-day event with plenty of opportunities for discussion, debate, and networking. The overarching theme is “Africa’s Leadership in Combatting Illicit Financial Flows”.

The event will be held in both English and French and will be structured into the following sessions and activities:

- Opening ceremony
- Keynotes speeches
- Panel discussions and plenary sessions
- Trainings
- National Parliamentary Caucus briefings and discussions
- Consultation meetings, focus groups, and roundtables
- Exhibitions
- Gala Dinner
- Closing ceremony

Expected Outcomes

APNIFFT 2023 is expected to yield the following results:

- Enhanced legislative capacity through targeted capacity-building sessions to empower legislators with the knowledge and skills necessary to effectively lead the fight against IFFs.
- Knowledge sharing and experience exchange to showcase, report on progress and share lessons on national caucuses.
- Strengthen national and regional parliamentary collaborations to support work across national and regional levels in addressing IFFs and harmonising tax policies in Africa.
- Develop actionable policy recommendations that legislators can implement in their respective countries to combat IFFs in Africa.
- Adoption of the new APNIFFT Constitution.

Participation

APNIFFT 2023 will be held in Nairobi, Kenya, from 25th to 26th October 2023 by TJNA in collaboration with APNIFFT Kenya Caucus. The event is open to the APNIFFT membership and will bring together members of parliament from over 40 countries of Africa, including Speakers, leadership, and members of crucial house committees.

The event will also bring together tax justice stakeholders and policymakers from Africa and beyond. Renowned speakers and experts will also be at hand to give perspectives and presentations and participate in discussions on the latest developments and case studies in the fight against IFFs and for tax justice in Africa.



For further information about APNIFFT and its various initiatives, interested parties are encouraged to contact:

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