



Mission Permanente  
de la République d'Angola  
Genève

**Statement by  
Her Excellency Mrs. Margarida Izata  
Ambassador and Permanent Representative of the Republic of Angola  
on Behalf of the African Group  
at the Third Segment of the Sixty-Seventh Session of the Trade and  
Development Board**

**Agenda Item 7 - Economic development in Africa: Tackling illicit financial flows  
for sustainable development in Africa**

Geneva, 28 September – 2 October 2020  
Palais des Nations, Room XVII

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President of the Trade and Development Board, **Ambassador Federico Villegas**,  
Deputy Secretary-General of UNCTAD **Madam Isabelle Durant**,  
Director of the Division on Africa, Least Developed Countries and Special Programmes,  
**Mr. Paul Akiwumi**,  
Distinguished delegate

The Africa Group aligns itself with the statement presented by Zambia on behalf of the G77 and China.

First and foremost, we would like to take this opportunity to thank and commend Mr. **Paul Akiwumi** and his bureau for their dedication and efforts in continuing to address development challenges in Africa (although the financial shortage that the division is facing), particularly by the timely publication of the **Economic Development in Africa Report 2020: Tackling Illicit Financial Flows (IFFs) for Sustainable Development in Africa**.

**Mr. President,**

According to UNCTAD's Economic Development in Africa Report 2020 every year, an estimated \$88.6 billion, equivalent to 3,7% of Africa's GDP, leaves the continent as illicit capital flow. Stopping illicit capital flight could almost cut in half the annual financing gap of \$200 billion that the continent faces to achieve the Sustainable Development Goals. These outflows are nearly as much as the combined total annual inflows of Official

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Development Assistance, valued at \$48 billion, and yearly foreign direct investment, fixed at \$54 billion, received by African countries, in reality. the average for 2013 to 2015. **From 2000 to 2015, the total illicit capital flight from Africa amounted to \$836 billion.**

The report shows also that curbing illicit capital flight could generate enough capital by 2030 to finance almost 50% of the \$2.4 trillion needed by sub-Saharan African countries for climate change adaptation and mitigation.

**Mr. President,**

IFFs are definitely threat and obstacle to achieving the Sustainable Development Goals (SDGs) because they aggravate poverty, increase social inequalities, undermine the economic development potential in Africa, reduce and even eliminates expected growth, deprive Governments of financial resources needed for public goods, such as Education, Health and Infrastructure among other losses.

The fight against Illicit Financial Flows and the imperative to ensure the swift recovery and return of stolen assets remain key priorities for the African Union (AU). Therefore, the AU is committed to end the chronic illicit financial flows from the continent and is resolved 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. (Doc. Assembly/AU/17(XXIV).

**Mr. President,**

The African Group is deeply concerned about illicit financial flows from developing countries, particularly from Africa. African countries depend to a large extent on the extraction of natural resources for their exports and tax revenues. However, this sector is very prone to the generation of illicit financial outflows. These illicit financial flows are the result of false or under invoicing in commercial operations, fraud and tax evasion, none or under-declaration of accounts and financial information in order to avoid customs duties and tax in general, poorly negotiated contracts, to name few.

So, the African Group shares the view that curbing illicit financial flows will be essential for realizing human rights and achieving sustainable development, as reaffirmed in the Addis Ababa Action Agenda and the Agenda 2030 for Sustainable Development in its target 16.4 which commits States to significantly reduce illicit financial flows and strengthen the recovery and return of stolen assets by 2030.

Nevertheless, to date, there is no international agreement on appropriate methodologies for measuring IFFs. This lack of statistical indicators on IFFs reduces clarity about the size of these flows, their origins and what consequences they have on development. This also hinders political action to reduce the main sources and channels of IFFs.

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In this context, we believe that in order to combat IFFs in a rigorous and effective manner, we must strengthen our cooperation to take the necessary coordinated action nationally, regionally and internationally to strengthen our economic governance Institutions and Machinery.

In all of the above, UNCTAD has its particularly role to play.

I thank you, Mr. President

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