



**Statement by  
Her Excellency Mrs. Martha Lungu Mwitumwa  
Ambassador and Permanent Representative of the Republic of Zambia  
Chairperson of the Group of 77 and China  
at 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**

President of the Trade and Development Board Ambassador Federico Villegas,  
Director of the Division on Africa, Least Developed Countries and Special Programmes, Mr. Paul Akiwumi,  
Excellencies,  
Distinguished delegates,  
Ladies and gentlemen,

At the outset the Group of 77 and China wishes to thank UNCTAD and its dedicated staff who have worked to thoroughly analyse the effects of Illicit Financial Flows, or IFFs, on the African continent. This is indeed a timely input to join the call to action to tackle an impending challenge that is weakening the advent of a more sustainable and fairer world all due to the growing scale, scope and cost of the implications of illicit financial flows, particularly for the economies of the developing countries, and as reflected in this case, for African countries.

Mr. President,

The Group wishes to highlight that the African continent is endowed with massive reserves of natural resources, which could potentially bring vast development gains to Africa. Unfortunately, vices such as illicit financial activities have robbed the continent of the most needed development that would have turned around the livelihoods of millions of Africans, lifting them out of extreme poverty into sustainable livelihoods.

The Group of 77 and China takes note that illicit financial flows in terms of cross border exchanges of value, monetary or otherwise, which are illegally earned, transferred or used have costed African countries around \$50 billion per year, dwarfing the amount of official development assistance the continent receives annually. This is an immense problem that need concerted efforts on the part of developing countries but also from developed countries. The Group reiterates its appreciation to UNCTAD for the recent study on the relationship between illicit financial flows and sustainable development in Africa, tackling what has been an unsettling issue for the African continent.

Mr. President,

Many initiatives are ongoing on the issue of IFFs, such as the establishment of a joint High-Level Panel on Financial Accountability, Transparency and Integrity, which provided hope for more concrete action to amplify attention to illicit financial flows and to enhance the capacity of local

revenue authorities in Africa. Moreover, with the advent of the African Continental Free Trade Area, ACFTA, it is paramount to ensure that mechanisms are put in place to ensure that the gains of such a monumental integration are not lost due to the scourge of illicit financial flows. We need the gains of the ACFTA to be channeled to Africans who are suffering the paradox of living in extreme poverty while living surrounded by vast natural resources that would change their lives forever. Illicit financial flows have led to significant levels of extreme poverty and directly contributed to lack of health facilities and services, thus leading to a compounded and extreme negative effect on the quality of life of many in the African continent.

Mr. President,

The Group welcomes and appreciates the proactive step taken by institutions such as UNCTAD in analysing the impact of illicit financial flows and their impact on the African continent. At the same time, the Group calls for concerted efforts in addressing illicit financial flows and the activities that underlie their occurrence, in particular tax evasion, corruption and transnational organized crime, which have a tremendous impact on the economic, social and political stability and development of the societies where they occur, especially in developing countries. The Group wishes to recall Sustainable Development Goal 16, particularly target 16.4 that calls for a significant reduction by 2030 of illicit financial and arms flows, and for strengthening the recovery and return of stolen assets while combating all forms of organized crime. Indeed, achieving this globally agreed target is urgent to stem the drain on public finances that creates a gap of precious resources needed for development.

Mr. President,

To conclude, the Group of 77 and China calls upon UNCTAD to continue its work in helping African countries address illicit financial flows, as they strip the African continent and developing countries in general of much-needed resources and thus prevent the achievement of Agenda 2030, as illustrated in successive General Assembly resolutions, namely Resolutions 71/213 and 72/207, both entitled *Promotion of international cooperation to combat illicit financial flows in order to foster sustainable development*; and Resolutions 73/222 and 74/206, both entitled *Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development*. These resolutions call for a collaborative approach to curb illicit financial flows, and UNCTAD must thus continue to contribute on this mandate, so that African countries and developing countries in general can have full access to the rightful public funds generated by their economies to allow their channeling to support sustainable development, especially at a time such as we live today when most countries are ravaged by the COVID-19 pandemic, making achieving Agenda 2030 a much harder and resource-intensive task.

I thank you, Mr. President.