

Concept Note
The 5th Pan African Conference on Illicit Financial Flows (IFFs) and Taxation
11th – 12th October 2017,
Nairobi, Kenya

Introduction

The Tax Justice Network Africa (TJNA) and the United Nations Economic Commission for Africa (ECA) and in partnership with the Independent Commission for the Reform of International Corporate Taxation (ICRICT); the Tax Justice Network (TJN); Friedrich Ebert Stiftung (FES); and the Global Alliance for Tax Justice (GATJ) are organising the 5th Pan African Conference on Illicit Financial Flows (IFFs) and Taxation. This builds on our previous annual conferences which seek to provide a forum for policy actors from Africa and globally to articulate problems and propose solutions towards curbing Illicit Financial Flows (IFFs) from Africa.

Background

In September 2015, the UN member states agreed to transit the global development agenda from the Millennium Development Goals (MDGs) to a more ambitious sustainable development agenda. By adopting the 2030 Agenda for Sustainable Development, countries committed themselves to mobilise efforts to end all forms of poverty, fight inequality and tackle climate change, while ensuring that no one is left behind. Where the MDGs largely reflected the agenda and priorities set by donor countries, the UN Sustainable Development Goals (SDGs) encompass a broader range of issues with much wider ownership. And rather than aid, it focuses on domestic resource mobilisation, which is recognised as the primary mean of implementation.

The Addis Ababa Action Agenda (AAAA) identifies the curtailment of illicit financial outflows as a critical priority and outlines a range of actions including a commitment to redouble efforts to substantially reduce IFFs by 2030, as well as eliminate safe havens that create incentives for IFFs and for the transfer abroad of stolen assets. The new framework no longer applies a single lens that sees corruption as a problem in lower-income countries, undermining the results of donors' aid. Instead, the illicit flows agenda applies a global lens, identifying the systemic nature of IFFs, which propelled by the financial secrecy and corporate behaviour, *corruptly* draws enormous resources out from the developing world, including of lower-income countries – often into the economies of those very donors themselves. Despite significant success achieved in incorporating the IFFs issue to the Sustainable Development Agenda, challenges related to lack of global agreement on a definition, data, measurement, methodology are emerging as a major stumbling block towards harmonised implementing measures to curb IFF Implementation.

Illicit versus Illegal

There are efforts to confine the definition of IFFs (and its measurement) to criminal and outright illegal activities such as money laundering, corruption and the theft of state assets, while excluding corporate tax avoidance.

If such efforts were to succeed they would seriously undermine the progress achieved so far, particularly in Africa, which has continued to play a leadership role in the efforts to curtail IFFs.

A narrow focus on illegal activities would result in anti-IFF programmes and other efforts failing to address aggressive tax avoidance, which represents a substantial portion of IFFs and it is just as harmful to development as the other types of IFFs. Removing corporate tax avoidance from consideration, would remove much of the focus on the commercial component of IFFs, which according to the HLP report, accounts for up to 60% of IFFs from Africa. It would further remove much of the responsibility and accountability of high-income countries as destinations of IFFs and multinational corporations as the main culprits – reducing IFFs to the misleading, old-fashioned framing of corruption, as a problem caused and to be resolved primarily in developing countries.

High level Panel and Beyond

The discussions will contribute and feed into ongoing efforts by the Consortium to stem IFFs from Africa which was established as a follow up mechanism to support the implementation of the recommendations of the High Level Panel on Illicit Financial Flows from Africa. The Panel's report was the single most important document underpinning the adoption of SDG target 16.4, to reduce IFF.

The 5th Pan African Conference will seek to provide a platform to multiple stake holders and policy actors drawn from governments, CSOs, research and academia and other relevant players to deliberate on the emerging attempts to recast and reshape the IFF narrative and methodology and what this would signify for the struggle against IFF from Africa and more broadly for the implementation of the SDGs.

The Conference will also provide opportunity to take stock of the success made so far and challenges facing African governments in their efforts to honour their commitments to stem IFFs through the implementation of the [High Level Panel \(HLP\) recommendations](#).

Papers covering two broad themes of the conference will be presented to facilitate discussions on the issues and the debate on the way forward.

- 1) Challenges, limitations on a definition, data, measurement, methodology on IFF in the context of Target 16.4 of the SDGs;
- 2) Implementing HLP Recommendations: Policy opportunities, challenges and success stories

Format and Structure

The 2017 PAC will take the structure of:

1. Presentations followed by Panel discussions and Plenaries
2. Issue specific roundtables
3. Networking sessions
4. Declaration drafting and adoption
5. Interactive group breakout session

Dates and Venue

The dates for the 5th PAC are 12th and 13th October 2017 in Nairobi, Kenya

Convenors

Tax Justice Network-Africa (TJNA) & United Nations Economic Commission for Africa (UNECA)

Co-convenors

1. Friedrich Ebert Stiftung (FES)
 2. Tax Justice Network (TJN)
 3. Global Alliance for Tax Justice (GATJ)
 4. Independent Commission for the Reform of International Corporate Taxation (ICRICT)
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Contact persons

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