

- I am Dr Dossina Yeo, Head of Economic Policy and Research Division, at the African Union Commission;
- The Covid19 pandemic is already straining health systems and causing unprecedented economic, social and humanitarian damage on the continent of Africa. Many African countries, the AUC and other organisations have announced contractions of the economies around -2 to - 3 percent economic growth in 2020.
- Countries are losing a huge amount of tax revenues around 65 billion monthly, due to lockdown and declining of external financing, notably FDI from 30-40 per cent in 2020-21, diaspora remittances of 23.1 per cent in 2020 and ODA.
- However, public spending is increasing to support health system, imported food, affected workers, SMEs and enterprises to maintain the vitality of the economies;
- Countries need additional financial resources mitigate the impact of the pandemic and finance infrastructure development, etc.
- The AU in its Special Declaration on Illicit Financial Flows (AU/Decl.5 (XXIV), Mbeki report on Illicit Financial Flows and in several other AU decisions and publications, studied and has isolated the main driver of the high financial flows from Africa, which is the commercial component of IFFs. The commercial rules and abusive practices account for 2/3 (two third of the outflows from our continent).
- Therefore, both the UN FACTI HLP and the OECD Base Erosion and Profit Shifting Inclusive Framework negotiations (OECD BEPS IF) will have significant implications for achieving the anti IFF agenda.
- The work of the UN FACTI presents an opportunity to strengthen the international community's response on illicit financial flows.
- The African Union welcomes the endeavour of the UN President of the GA. On the continent, the AU together with AU HLP and CoDA mobilized a broad consortium of institutions and individuals for the anti IFF agenda. It will therefore foster a collective, coordinated engagement by the AU member States, AU Commission and Organs.