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Ministers of Finance, Economy and Integration call for more efficient and transparent African Institutions and Tax Systems to fight against Corruption and Illicit Financial Flows in Africa

Addis Ababa, Ethiopia 16-17 April 2018: The Ministerial segment of the 2nd AU Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration opened in Addis-Ababa on Monday 16 April 2018. The meeting was preceded by Expert Meetings from 12-14 April, 2018.

In recognition of the negative impact of corruption and Illicit Financial Flows on the development of African countries, the African Union dedicated the year 2018 to the fight against corruption. In the same spirit, the STC discussed the theme “Mobilisation of domestic resources: fighting against corruption and Illicit Financial Flows”. This conference is being held at a critical time for Africa. It must be recognized that Africa has an economic potential with a growth of real output strengthened and stabilized at 3.6% in 2017 compared to 2.2% in 2016. The last outlook predicts an acceleration of continental growth which will culminate at 4.1% in 2018 and 2019 (Source: AfDB). Growth is not inclusive enough in Africa.

In her opening remarks, the Commissioner for Social Affairs of the African Union Commission, H.E. Mrs Amira Elfadil, who delivered the opening remarks on behalf of H.E. Moussa Mahamat Faki, thanked all delegates in attendance and noted that “the holding of this meeting after the historic signature of the legal instruments establishing the Continental Free Trade Area (CfTA) is another step towards accelerating the implementation of Agenda 2063, our new strategy for stronger, inclusive and sustainable growth over the next five decades.” Throughout the STC meeting, it has been recalled and emphasized that in order to accompany the CfTA and speak of African Integration, certain tools such as the African Monetary Fund, whose Host Agreement was recently signed with the Government of Cameroon, and the African Investment Bank will play a major role in the operationalization of the continental free trade area through the elimination of trade restrictions, increased monetary integration, financing of development projects, and development of multilateral payment systems for current transactions on the continent.

On his part, H.E. Ato Admasu Nebebe, State Minister of Finance and Economic Cooperation of Ethiopia, in his keynote speech, shared Ethiopia’s experience and lessons learned in their ongoing DRM initiatives and Fight against Corruption and Illicit Financial Flows.



Prof. Victor Harison, Commissioner for Economic Affairs, reiterated the Commission's willingness to work in close cooperation with Member States, Regional Economic Communities (RECs) and the

entire development community to define and implement the policies necessary for sustainable development in Africa, that is, economically efficient, socially equitable and ecologically sustainable for development; and to contribute to mobilizing domestic resources necessary to the fight against corruption and illicit financial flows. He underscored that these were not only the major causes of overreliance on Official Development Assistance (ODA), but also an impediment for the development of Africa and for the implementation of Agenda 2063.

Meanwhile, the STC Ministerial segment chaired by the State Minister of plan of the DRC, Prof. Modeste Bahati Lukwebo, included multiple panel

discussions on the theme of the STC which was followed by a review and adoption of the report and recommendations of the Experts meeting to close out the activities of the STC.

In conclusion, Experts and Ministers present have recommended that in order to fight against corruption and illicit financial flows and mobilize sufficient financial resources on our continent, the AUC needs to call upon Member States to implement strategies for more efficient and fair taxation systems, to establish more effective legal and regulatory frameworks and to strengthen the capacities of institutions involved in DRM and combating corruption and IFFs; the AU Chart on good governance and the AU Board on Corruption need to be reinforced and translated into facts and should take into consideration realities of each African country; Member States need to strengthen transparency in the public sectors, in management and budgetary control as well as transparency in the financial system; the Commission needs to call upon Member States that have yet to sign and ratify the protocol and statutes of the African Financial Institutions to do so; and finally, AUC needs to request Member States to develop policies to mobilize domestic resources and curb illicit financial flows.

The Report of the outcomes of the STC will be submitted for consideration at the AU Assembly of Heads of State and Government in June 2018.

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