



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT



ILLICIT FINANCIAL FLOWS IN AFRICA

TRENDS AND PATTERNS



AFRICA IS LOSING
IN EXCESS OF
US\$50-US\$60
BILLION ANNUALLY
IN ILLICIT FINANCIAL
OUTFLOWS (High Level Panel on IFFs)

ILLICIT FINANCIAL FLOWS IN AFRICA

TRENDS AND PATTERNS

**REGIONAL DIFFERENCES IN
DOLLAR LEVELS PER YEAR**
COMPARISON ACROSS THE MAJOR
REGIONS OF THE DEVELOPING WORLD

ILLICIT OUTFLOWS LOWEST IN SUB-SAHARAN AFRICA (SSA)



2005 1.8% → 6.3% \$36BN → \$69BN **2014**

 DEVELOPING WORLD
 SUB-SAHARAN AFRICA

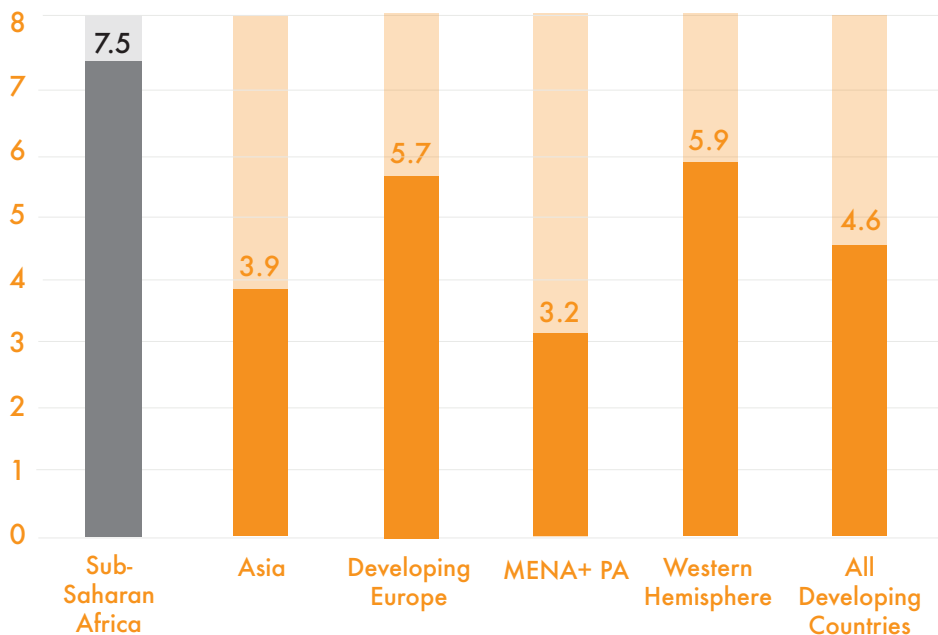
MEASURED AGAINST LEVEL OF TRADE
SUB-SAHARAN AFRICA RANKED HIGHEST IN **ILLICIT OUTFLOWS**
2014



5.3% → 9.9%
TOTAL TRADE



ESTIMATED ILLICIT FINANCIAL OUTFLOWS, ALL DEVELOPING COUNTRIES LOW ESTIMATES AS A PERCENTAGE OF TOTAL TRADE, AVERAGED OVER THE 2005-2014 PERIOD



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IFFS AS A PERCENTAGE OF GDP

SUB-SAHARAN AFRICA RANKED HIGHEST IN AFRICA & MAJOR REGIONS



6.1% GDP

EFFECTS OF IFFS ON TAX REVENUE IN AFRICAN COUNTRIES

IFFS DEPRIVE AFRICAN COUNTRIES OF THE CRUCIAL RESOURCES
NEEDED FOR DEVELOPMENT



IFFs



LOSS
OF TAX
REVENUE



HAMPERS
GOVERNMENTS'
ABILITY TO PROVIDE
ADEQUATE AND
FUNCTIONING
**PUBLIC SERVICES AND
INFRASTRUCTURE** FOR
THEIR CITIZENS

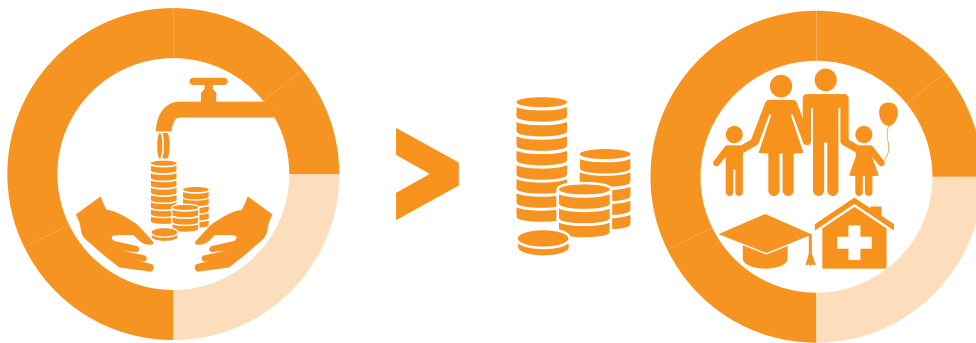
IFFS AND OTHER FLOWS INTO SADC

CUMULATIVE IFFS FROM THE SADC REGION EXCEED BOTH AID AND INVESTMENT FLOWS COMBINED



ILLICIT OUTFLOWS OUTWEIGH HEALTH AND EDUCATION PUBLIC EXPENDITURE IN MOST AFRICAN COUNTRIES

THE FUNDS THAT ARE NEEDED TO INCREASE SPENDING ON HEALTH AND EDUCATION CAN BE FOUND IF ILLICIT FINANCIAL OUTFLOWS ARE CURBED



ILLICIT FINANCIAL OUTFLOWS
PUBLIC EXPENDITURE ON HEALTH AND EDUCATION



ILLICIT FINANCIAL FLOWS IN AFRICA

TRENDS AND PATTERNS

**RATIO OF AVERAGE IFFS TO GDP
COMPARED WITH RATIO OF PUBLIC EXPENDITURE
TO GDP FOR 2013**



11/15

SADC COUNTRIES EXHIBIT A RATIO OF AVERAGE IFFS TO GDP WHICH IS **HIGHER** THAN THE RATIO OF **PUBLIC EXPENDITURE ON EDUCATION** TO GDP FOR 2013

**RATIO OF AVERAGE IFFS TO GDP
AGAINST PUBLIC EXPENDITURE ON EDUCATION
TO GDP FOR 2013**



9/15

SADC COUNTRIES REVEAL A **HIGHER** RATIO OF AVERAGE IFFS TO GDP THAN **PUBLIC EXPENDITURE ON EDUCATION** TO GDP FOR 2013



**ILLICIT
FINANCIAL FLOWS
IN AFRICA
TRENDS AND PATTERNS**

NEGATIVE ECONOMIC AND SOCIAL IMPACT OF IFFS DIRECTLY IMPACTS ON HUMAN DEVELOPMENT



NEGATIVE ECONOMIC AND SOCIAL IMPACT OF IFFS **DIRECTLY IMPACTS ON HUMAN DEVELOPMENT**

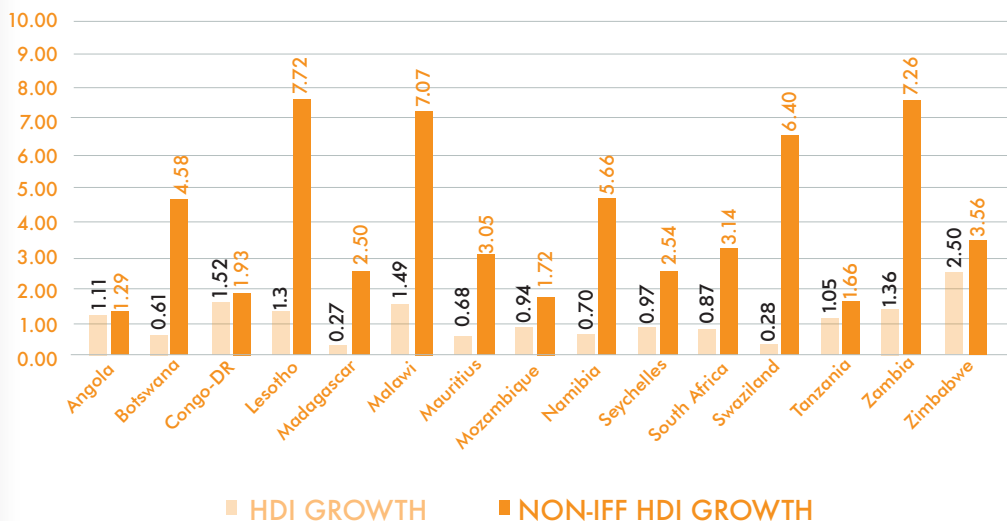


A **COMPARISON** OF THE OBSERVED HDI GROWTH AGAINST THE POTENTIAL HDI GROWTH IN THE ABSENCE OF IFFS SHOWS THAT **MUCH HIGHER LEVELS OF HDI GROWTH CAN BE REALISED IN THE ABSENCE OF IFFS**

ILLICIT FINANCIAL OUTFLOWS
 NEGATIVE ECONOMIC AND SOCIAL IMPACT



ACTUAL HDI GROWTH AGAINST NON-IFF HDI GROWTH



ILLICIT FINANCIAL FLOWS IN AFRICA TRENDS AND PATTERNS



ILLICIT FINANCIAL FLOWS IN AFRICA

TRENDS AND PATTERNS



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