



AFRICAN FORUM AND NETWORK  
ON DEBT AND DEVELOPMENT



# ILLICIT FINANCIAL FLOWS IN AFRICA

## TRENDS AND PATTERNS

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**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

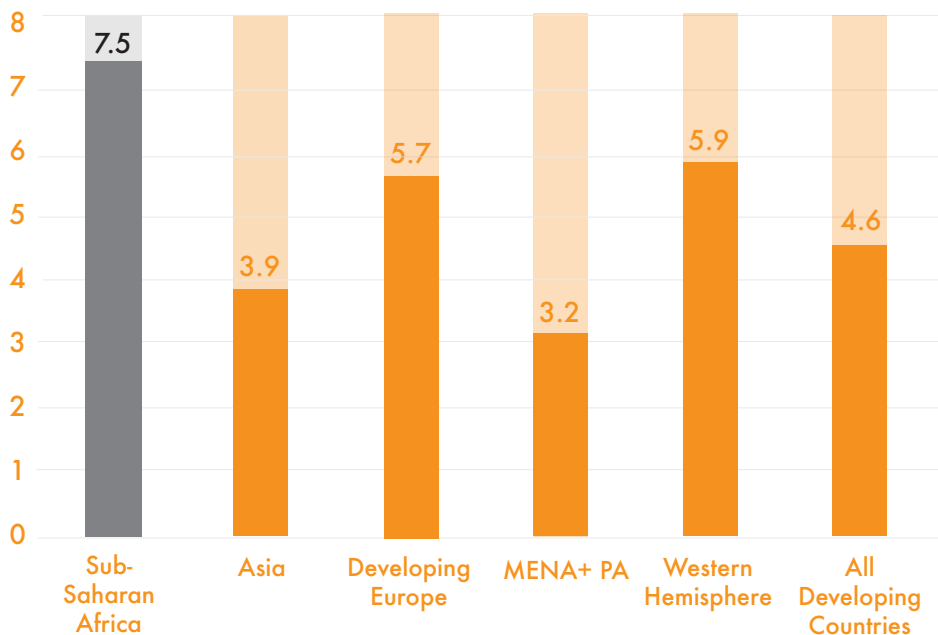
**MEASURED AGAINST LEVEL OF TRADE**  
SUB-SAHARAN AFRICA RANKED HIGHEST IN **ILLICIT OUTFLOWS**  
**2014**



**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**



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



# ILLICIT FINANCIAL FLOWS IN AFRICA TRENDS AND PATTERNS

## 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

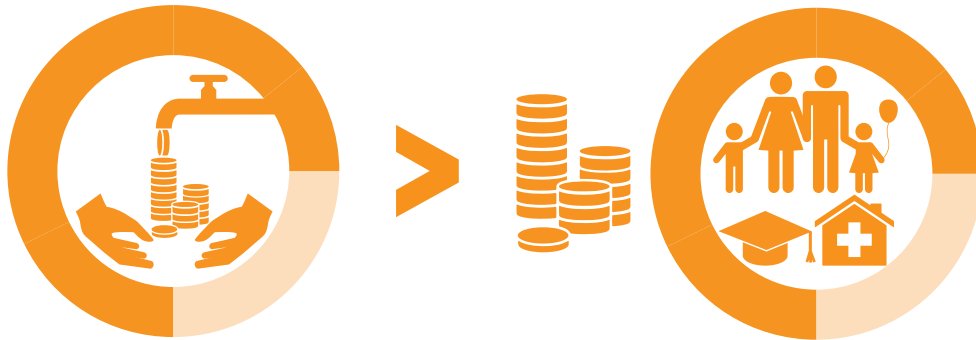
## IFFS AND OTHER FLOWS INTO SADC

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

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# 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

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



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

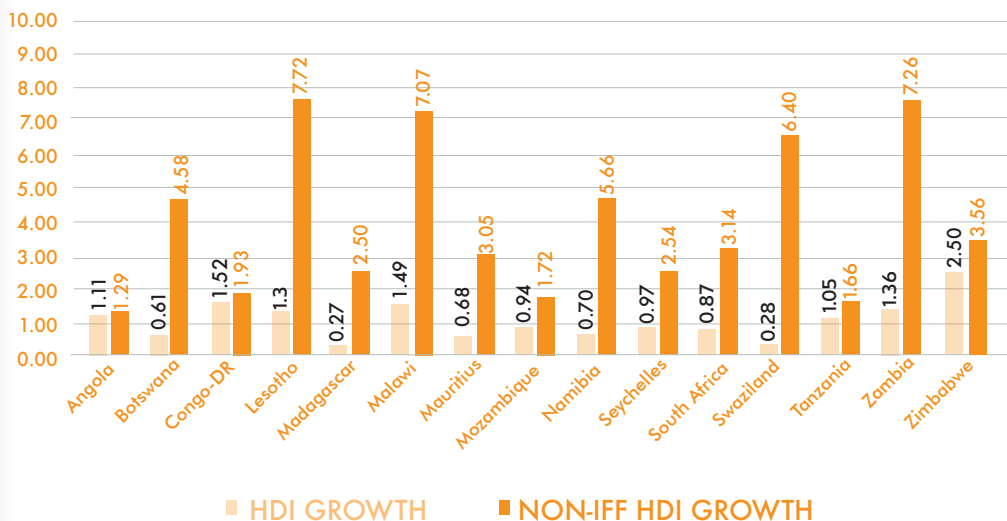


A **COMPARISON** OF THE OBSERVED HDI GROWTH AGAINST THE POTENTIAL HDI GROWTH IN THE ABSENCE OF IFFS SHOWS THAT **MUCH HIGHER LEVELS OF HDI GROWTH CAN BE REALISED IN THE ABSENCE OF IFFS**

ILLICIT FINANCIAL OUTFLOWS  
 NEGATIVE ECONOMIC AND SOCIAL IMPACT



## ACTUAL HDI GROWTH AGAINST NON-IFF HDI GROWTH



# ILLICIT FINANCIAL FLOWS IN AFRICA TRENDS AND PATTERNS



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AFRICAN FORUM AND NETWORK  
ON DEBT AND DEVELOPMENT

African Forum and Network on Debt and Development (AFRODAD)

31 Atkinson Drive, Hillside

PO Box CY1517, Causeway

Harare, Zimbabwe

Tel: +263 24 778531/6 or 2912751-4

Fax: +263 24 747878

Email: [afrodad@afrodad.co.zw](mailto:afrodad@afrodad.co.zw)

Web: [www.afrodad.org](http://www.afrodad.org)