



WELCOME ADDRESS AT THE INTERNATIONAL CONFERENCE ON ILLICIT FINANCIAL FLOWS AND ASSET RECOVERY

by

Prof Bolaji Owasanoye, SAN

Chairman, ICPC

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Protocols

I am delighted to welcome you to this Virtual International Conference on Illicit Financial Flows and Asset Recovery organized in collaboration with the AU-ABC and the Coalition for Dialogue on Africa (CoDA). Last year, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) celebrated her 20th anniversary in commemoration of which we organized an African Regional Conference on Combating Corruption and Illicit Financial Flows on 14th and 15th July 2020 with support from the United Nations Office on Drugs and Crime (UNODC) and the African Union (AU). ICPC's increasing focus on IFFs is directly related to her anti-corruption mandate and its role as the Secretariat of the Inter-Agency Committee on Stopping IFFs from Nigeria and Implementation of the Thabo Mbeki Panel Report. It is common knowledge that corruption is a source and contributor to IFFs from Nigeria.

The AU-UNECA High Level Panel on Illicit Financial Flows chaired by President Thabo Mbeki, **described IFFs as money illegally earned, transferred or used.** Estimates of the quantum of IFFs lost globally varies, but it is generally agreed that a significant proportion of the loss is suffered by developing countries. African countries are particularly affected by loss through IFFs thus depriving the continent of much needed resources for development. The destination of most IFFs from developing countries are rich industrialized countries in the West, but in recent times this destination now extends to Asia and the Middle-east.

Illicit financial flows are generally recognized as a major threat to the actualization of the Sustainable Development Goals or Agenda 2030. The Heads of State and

Government and High Representatives at the adoption of the Addis Ababa Action Agenda (AAA) in July 2015 affirmed their strong political commitment to address the challenge of financing for development and creating an enabling environment at all levels for sustainable development in its three dimensions: inclusive economic growth, protecting the environment, and promoting social inclusion. The AAA recognized that a fully equitable global economic system can actualize a world in which no one is left behind. A specific action area of the AAA report is the role of domestic public resources in meeting SDGs. The report inter alia, noted: (a) the effects of tax evasion; and (b) the work of the AU-UNEC High Level Panel on Illicit Financial Flows. (c) It invited the International Monetary Fund (IMF), the World Bank and the United Nations to assist both source and destination countries in stemming IFFs; (d) appropriate international institutions and regional organizations to publish estimates of the volume and composition of illicit financial flows; (e) committed to making UNCAC an effective instrument to deter, detect, prevent and counter corruption and bribery, prosecute those involved in corrupt activities, and recover and return stolen assets to their country of origin; (f) encourage the international community to develop good practices on asset return; and (g) support the Stolen Assets Recovery Initiative of the United Nations and the World Bank, and other international initiatives that support the recovery of stolen assets.

Much more recently, the 74th President of the UN General Assembly and the President of ECOSOC based on GA Resolution 74/206 inaugurated in March 2020 the High-Level Panel on International Financial Accountability, Transparency and Integrity (FACTI) to bring up recommendations to strengthen current efforts to combat IFFs and close existing gaps in the international system. Included in this mandate is focus on strengthening good practices on asset return for sustainable development. The panel submitted its report earlier this year and I was privileged to be a member of the FACTI Panel. This conference will be reviewing the recommendations of the FACTI Panel.

The AAA and the FACTI Panel report testify to the increasing clamor for the international community to take the lead in putting in place structures, systems and processes to stem the flow of IFFs from developing countries and return of illicit assets to countries of origin. The Independent Corrupt Practices and Other Related Offences Commission (ICPC) in collaboration with the AU Advisory Board on Corruption

(AU-ABC) and the Coalition for Dialogue on Africa (CoDA) have organized this conference for discussion of international asset recovery, the role of enablers and facilitators and the need for beneficial ownership standards, the Common African Position on Asset Recovery (CAPAR), and the Financial Accountability, Transparency and Integrity (FACTI) Panel Report, in the context of the global agenda to stem IFFs to highlight the goals and challenges.

The experience of Nigeria with the now notorious P&ID case shows that bogus and sometimes genuine investment contracts are among the leading sources of IFFs from developing countries.

Article 57 of UNCAC makes copious provisions for asset return but in spite of the glaring intention of UNCAC, asset return remains a major challenge for requesting states. Nigeria's little experience in local and international asset recovery is a modest source for study of the mechanics of asset recovery and return. This conference therefore offers an opportunity for participants to discuss IFFs, CAPAR, and asset recovery and proffer solutions to these critical barriers to resource mobilization and sustainable development.

The pedigree and experience of the panelists that will guide our discussion over the course of this conference will offer participants unique insights into IFFs, the international asset recovery architecture, CAPAR and the work of the FACTI Panel. I wish to thank our partners, the AU-ABC and CoDA for the roles they have played in organizing this conference. I also extend our appreciation to our distinguished special guests most notably the Hon. Minister of Finance Budget and National Planning, the Hon Minister of Foreign Affairs and the Hon Attorney-General of the Federation and Minister for Justice, the AU Commissioner for Political Affairs, Peace and Security, distinguished moderators and panelists, participants from all over the world but most especially Africa, and the media and civil society. Let me use this opportunity to appreciate the Ford Foundation for supporting ICPC's project on IFF and to use this opportunity to again acknowledge the late Innocent Chukwuma, immediate past Regional Director for Ford Foundation West Africa Office who passed away suddenly on the 3rd of April. May his soul rest in peace. On behalf of ICPC and our partners, I welcome you all.

Thank you!