



Republic of Zambia

**KEY NOTE ADDRESS**  
**THE COST OF ILLICIT FINANCIAL FLOWS (IFF) TO**  
**ZAMBIA AND AFRICA – TAKING ACTION TO STOP**  
**IFF, TO TRACK AND GET THE MONIES BACK**

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**I THANK ACTIONAID ZAMBIA FOR THEIR KIND INVITATION TO THE MINISTRY OF FINANCE TO SPEAK AT THIS HIGH LEVEL STATEHOLDER ENGAGEMENT ON ILLICIT FINANCIAL FLOWS. IT IS SO DELIGHTFUL TO SEE HOW MANY PEOPLE ARE INTRESTED IN TAKING ACTION TO STOP IFF, TO TRACK AND GET THE MONIES BACK.**

**DEBATE ON IFF HAS TAKEN CENTRE STAGE IN THE RECENT PAST. THE PROBLEM IS NOT ONLY MASSIVE AND ILLEGAL, BUT ALSO DETTERS ECONOMIC GROWTH AND DEVELOPMENT. ZAMBIA AND AFRICA AS A WHOLE NEEDS A NEW APPROACH PREDICATED UPON POPULAR MOBILIZATION FOR REVOLUTIONARY ACTIONS AGAINST ALL FORMS OF IFFs.**

**A 2014 REPORT BY CHRISTIAN AID HAS INDICATED THAT AFRICA LOSES TWICE AS MUCH IN ILLICIT FINANCIAL FLOWS AS IT RECEIVES IN INTERNATIONAL AID. IT IS TIME WE ALL PLAYED A ROLE IN TRACKING IT AND GETTING THE MONIES BACK TO HELP ZAMBIA AND AFRICA BECOME SELF RELIANT.**

**THIS CAN ONLY BE DONE BY TAKING ACTION TO STOP IFF BY PUTTING OUR EFFORTS TOGETHER TO TRACK IFF AND GET THE MONEY BACK. THUS, BLOCKING IFF BEGINS WITH YOU AND ME.**

**THERE IS MASSIVE FLOW OF ILLICIT MONEY OUT OF AFRICA WHICH IS BEING FACILITATED BY A GLOBAL SHADOW FINANCIAL SYSTEM COMPRISING TAX HAVENS, SECRECY JURISDICTIONS, DISGUISED CORPORATIONS, ANNOYMOUS TRUST ACCOUNTS, FAKE FOUNDATIONS, TRADE MISPRICING AND MONEY LAUNDERING TECHNIQUES. THE IMPACT OF THIS STRUCTURE AND THE FUNDS IT SHIFTS OUT OF AFRICA IS STAGGERING. IT DRAWS HARD CURRENCY RESERVES, HIGHTENS INFLATION, REDUCES TAX COLLECTION, CANCELS INVESTMENT AND UNDERMINES FREE TRADE. IT DEPRIVES MANY COUNTRIES OF THE MUCH NEEDED FINANCIAL RESOURCES MEANT FOR DEVELOPMENTAL PROGRAMMES AND LEAVES A COUNTRY HEAVILY RELIANT ON DONOR FUNDING IN ORDER TO BRIDGE THE FINANCING GAPS.**

**THE FINANCIAL INTELLIGENCE CENTRE WHICH IS THE SOLE DESIGNATED AGENCY TO RECEIVE, ANALYSE AND DISEMINATE SUSPICIOUS TRANSACTION REPORTS IS ONE OF THE KEY STAKEHOLDERS IN TRACKING ILLICIT FINANCIAL FLOWS.**

**NONETHELESS ADDRESSING THIS PROBLEM REQUIRES CONCERTED EFFORT BY ALL STAKEHOLDERS PRESENT HERE INCLUDING THOSE OTHER INSTITUTIONS THAT ARE NOT REPRESENTED HERE. THE FACT IS WE ARE ALL AFFECTED. YOUR ORGANIZATION MAY NOT HAVE DIRECTLY EXPERIENCED ANY OF THE TECHNIQUES EMPLOYED TO MOVE ILLICIT FUNDS SUCH AS MONEY LAUNDERING BUT REMEMBER THE EFFECTS ARE FACED BY ALL OF US THROUGH INFLATION, DRAWING OF CURRENCY, POVERTY AND TAX BURDEN.**

**GREATER TRANSPARENCY IN THE GLOBAL FINANCIAL SYSTEM CAN SUBSTANTIALLY CURTAIL ILLICIT OUTFLOWS AND THEREBY ENHANCE GROWTH IN DEVELOPING COUNTRIES.**

**WE NEED TO COMMEND THE AFICAN UNION AND THE ECONOMIC COMMISSION FOR AFRICA FOR THE REALIZATION THAT AFRICA WAS BEING AFFECTED BY THIS VICE AND FOR ESTABLISHING THE HIGH LEVEL PANEL ON IFF FROM AFRICA WHICH CAME UP WITH THE REPORT WE ARE CONSIDERING TOGETHER TODAY.**

**ZAMBIA IS NOT AN EXCEPTION AS IT EXISTS IN THE GLOBAL ECONOMY, IT IS ALSO AFFECTED BY IFF AND HENCE THE REASON WE NEED TO BE CONCERNED IN TERMS OF THE COST OF THIS ACTIVITY TO ZAMBIA'S ECONOMY.**

**THE REPORT OF THE HIGH LEVEL PANEL ON IFF FROM AFRICA STATES THAT IFFs ARE A POTENTIAL SOURCE OF DOMESTIC RESOURCE MOBILIZATION FOR THE CONTINENT, WHICH IF TAPPED WILL HAVE POSITIVE IMPACTS FOR THE 2015 DEVELOPMENTAL AGENDA OF AFRICA AND BEYOND, ESPECIALLY IN THE CONTEXT OF GLOBAL ECONOMIC DEVELOPMENTS THAT MEAN THAT DEVELOPMENT ASSISTANCE IS NO LONGER A SUSTAINABLE OPTION.**

**THE REPORT ALSO MAINTAINS THAT SUCCESSFULLY COBATING IFFs WILL GENERATE POSITIVE IMPACTS FOR THE GOVERNANCE LANDSCAPE OF AFRICA RESULTING IN SUSTAINABLE IMPROVEMENTS AND ENHANCEMENTS FOR THE LOCAL BUSINESSES AND PRIVATE SECTOR DEVELOPMENT ENVIRONMENT.**

**IT IS THEREFORE IMPORTANT FOR THIS MEETING TO DISCUSS THE REAL COST OF IFF TO ZAMBIA AND AFRICA AND CONSIDER THE RECOMMENDATIONS MADE BY THE HIGH LEVEL PANEL ON IFF FROM AFRICA.**

**IN CONCLUSION, WE NEED TO THINK ABOUT WHAT POLICY CHOICES WE ALL NEED TO MAKE TO HELP US DELIVER ON THE TRANSFORMATIVE GLOBAL DEVELOPMENT AGENDA IN RELATION TO IFFs AND HOW TO DEAL WITH THIS PROBLEM IN TOTALITY. IN THE LONG RUN OUR EFFORTS WILL CONTRIBUTE TOWARDS SUSTAINABLE DEVELOPMENT. LET ME URGE ALL OF YOU TO TAKE KEEN INTEREST IN THE VARIOUS PRESENTATIONS AND THE DEBATE AS IT CONSIDERS THIS REPORT AS WE ARE ALL AFFECTED BY IFF.**

**YOU NEED TO BEGIN ASKING YOURSELVES AS TO WHAT ACTION YOU CAN TAKE TO HELP ZAMBIA AND AFRICA AS A WHOLE TO STOP IFF, TRACT IT AND GET THE MONIES BACK. HOW WELL CAN WE CO-ODINATE OUR EFFORTS AND WORK TOGETHER TO RELIEVE OUR COUNTRY AND AFRICA FROM HEAVILY DEPENDING ON DONOR FUNDS TO BEING SELF RELIANT.**

**THIS ISN'T A FAR FETCHED IDEA. TOGETHER WE CAN DO IT.**

**THANK YOU.**