



Permanent Mission of Nigeria
to the United Nations



Permanent Mission of Norway
to the United Nations

Lunch Seminar on Combatting Illicit Financial Flows –

Focus on Tax and Transparency

co-hosted by

The Permanent Missions of Nigeria and Norway to the United Nations

Background:

Illicit financial flows (IFFs) generally involve cross-border movements of money either illegally earned, transferred or utilized in some forms. And while the term is often used interchangeably with capital flight in many discussions, the latter is a narrower concept that involves unrecorded cross-border flows, which could conceivably include both legally and illegally acquired funds.

In general, IFFs are widely recognized as a key impediment to development, stripping many developing countries of resources that could have been used for advancing national development goals. IFFs are also symptomatic of other problems that undermine efforts towards poverty eradication and sustainable development, such as corruption, tax evasion, embezzlement, illegal exploitation of natural resources and organized crime.

While estimates of the magnitude of IFFs are uncertain, and as the phenomenon is by nature difficult to measure, there is widespread agreement that the amounts involved are significant and growing. Some estimates indicate that Africa alone has lost over one trillion dollars through IFFs since the 1970s, far exceeding the inflow of official development assistance over the same period.

With the adoption of the 2030 Agenda and the Sustainable Development Goals (SDGs), the global community made a commitment to “substantially reduce illicit financial [...] flows and strengthen the recovery and return of stolen assets” (SDG *target 16.4*). Similarly, in the Addis Ababa Action Agenda on Financing for Development, member states affirmed their commitment to redouble efforts to substantially reduce IFFs by 2030, with a view to eventually eliminating them.

Furthermore, at the 71st Session of the United Nations General Assembly, a resolution on Illicit Financial Flows (A/RES/71/213) was unanimously adopted by Member States, among other



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things deciding to give consideration, as appropriate, to illicit financial flows in the follow-up and review framework of the 2030 Agenda for Sustainable Development and in the follow-up process of the Addis Ababa Action Agenda.

Seminar objectives:

Enhanced knowledge and broader understanding of the challenges and opportunities involved – both in curbing illicit financial flows and recovering and returning stolen assets - will be important to follow-up on these commitments. The Permanent Missions of Nigeria and Norway have therefore embarked on a series of panel discussions on different aspects of IFFs.

The objective of the seminar on 11 May is to contribute to enhanced knowledge on IFFs and will focus on challenges and opportunities related to tax and transparency in particular, and intends to give participants an opportunity to i.a.

- Gain a better understanding of the key concepts of illicit financial flows and capital flight, and the link to financing for development, including both the private and public sector;
- Gain a better understanding of how and to what extent tax evasion is driving illicit cross border capital movements;
- Gain knowledge of current measures to limit tax related cross border IFFs through tax policy and administration combined with transparency and accountability;
- Discuss current international, regional and national measures to IFFs and the loss of potential financing for development;
- Share some national experiences on the progress made in reducing the level of IFFs and strengthening the recovery of stolen assets.

Format and programme:

The seminar will be co-hosted by the Permanent Representative of Nigeria, H.E. Prof. Tijjani M. Bande, and the Permanent Representative of Norway, H.E. Geir O. Pedersen.

After opening remarks by the co-hosts, there will be presentations by the two invited speakers, **Professor Léonce Ndikumana** and **Policy Director Olav Lundstøl** (see bios below), followed by Q&A and exchange of views.



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About the speakers:

Dr. Léonce Ndikumana is a Professor of Economics and Director of the African Development Policy Program at the Political Economy Research Institute at the University of Massachusetts Amherst. He is a member of the United Nations Committee on Development Policy, Commissioner on the Independent Commission for the Reform of International Corporate Taxation, and Honorary Professor of Economics at the University of Stellenbosch and the University of Cape Town in South Africa. He is co-editor of *Capital Flight from Africa: Causes, Effects and Policy Issues* and co-author of *Africa's Odious Debt: How Foreign Loans and Capital Flight Bled a Continent*. He received the first degree in Economics from the University of Burundi and a Ph.D. in Economics from Washington University in St. Louis, Missouri.

Mr. Olav Lundstøl: Eighteen years as development economist based in Latin America, Asia and Africa working for the UNDP and the Norwegian Ministry of Foreign Affairs. Focus on macroeconomics, public financial management, energy, environment, and in particular, tax, audit, corruption and natural resource governance. Graduate degrees in economics, business and history from the University of Oslo, the Norwegian School of Economics and Business Administration and the London School of Economics and Political Science. Former board member of Tax Justice Network Norway, member of expert group of the International Centre for Tax and Development and advisory group of the Bank of Tanzania country study of illicit financial flow. Doctoral candidate in tax policy at the African Tax Institute (Department of Economics) of the University of Pretoria. Policy director of tax and capital flight at the Norwegian Agency for Development Cooperation (NORAD).