

AFRICAN UNION		UNION AFRICAINE
<b>الاتحاد الأفريقي</b> African Commission on Human & Peoples' Rights		UNIAO AFRICANA Commission Africaine des Droits de l'Homme & des Peuples
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**Panel on the Extractive Industries and Illicit Financial Flows from Africa  
and  
Launch of the WGEI 2020 Newsletter**

**67<sup>th</sup> Ordinary Session of the African Commission  
13 November – 03 December 2020  
Virtual – via Zoom**

**Introduction:**

The Economic Development in Africa Report 2020 of the United National Conference on Trade and Development (UNCTAD) entitled “Tackling Illicit Financial Flows for Sustainable Development in Africa” highlights the extent of the challenge of illicit financial flows (IFF) from the African continent. According to the Report, Africa annually loses \$50 billion through IFF, which in turn “strip government treasuries of needed resources for development expenditure.” The Report advocates for stronger national policies, regulatory frameworks, data infrastructure and institutional and human resources capacity at national level in order to curb IFF from Africa, but also for reform of the global economic system. The Report notes that “[s]ome sources of IFFs, such as illegal logging, fishing and mineral extraction are closely connected with substantial environmental costs, as well as the impoverishment of individuals and communities that rely on those resources to sustain their existence.”

The African Commission on Human and Peoples’ Rights (the Commission), through its Working Group on Extractive Industries, Environment and Human Rights in Africa (WGEI) has for some time been engaged with the various human and peoples’ rights challenges in the extractive industries, and also arising from IFF specifically. The African Commission in 2013 adopted Resolution 236, in which it clarifies the link between capital flight, tax evasion and human rights and calls upon State Parties to review their domestic laws and policies with the aim of combatting illicit financial flows. In its landmark Resolution 367 on the Niamey Declaration on Ensuring the Upholding of the African Charter in the Extractive Industries Sector, the Commission called on States to establish regional mechanisms to fight IFF.

Upon the publication of the set of 13.4 million confidential electronic documents relating to offshore investments, known as the Paradise Papers, in 2017, the African Commission issued a press statement highlighting the problems regarding State Parties that operate as tax havens and called upon all state parties to review their national policies and legislation and amend them to address IFF and its detrimental impact on other States. In addition, it called on the Government of the DRC to investigate and address the adverse influence of Mr. Dan Gertler, a businessman with diamond and copper mining interests in the DRC, in the negotiation of mining contracts. In 2018, the African Commission adopted State Reporting Guidelines on Articles 21 and 24 of the African Charter which specifically incorporate a range of areas that States need to include in their periodic reports related to policies, legislation and tangible steps to curtail IFF.

In light of its various engagements on this subject, the aim of this proposed panel is to review the links between extractive industries and IFF, including by drawing on the insights from the UNCTAD Report on the serious challenge of IFF from Africa, the human and peoples' rights consequences of IFF and the ways in which different stakeholders, including States as primary duty bearers, can cooperate to curb the loss of African wealth.

Furthermore, the Panel will serve as a platform for launching the third edition of the WGEI Newsletter, which has been published since 2018. This annual newsletter of the WGEI reports on the activities of the Special Mechanism and also contains substantive articles on thematic areas of relevance to the WGEI's mandate. The Platform will also serve the purpose of the launch of the third edition of the Newsletter, during the 67<sup>th</sup> Ordinary Session.

#### **Panelists:**

- Moderator (Commissioner Solomon Ayele Dersso, Chairperson of the Commission and Chairperson of the WGEI);
- Prof. Eddy Maloka, African Peer Review Mechanism;
- Mr Junior Davis, lead author of the Report;
- Prof. Damilola Olawuyi, Member of the WGEI.

#### **Agenda**

**Friday 20 November 2020**

**10:00 - 11:30**

Welcome and introductory remarks - Commissioner Dersso;

**5 minutes**

Mr Junior Davis, UNCTAD - *Overview of the Economic Development in Africa Report 2020 and the causes and consequences of IFF*

**15 minutes**

Prof. Maloka – *The role of political, socio-economic and corporate governance in the extractive industries in addressing IFF from Africa*

**10 minutes**

Prof. Olawuyi – *Background on the work of the WGEI on IFF and the need for a human rights perspective in legal reforms to address IFF in the extractive industries*

**10 minutes**

Interactive discussion with the attendees at the Session – facilitated by Moderator;

**30 minutes**

Closing remarks by Commissioner Dersso on the Panel discussion

**5 minutes**

Commissioner Dersso – *Introduction of the WGEI Newsletter & launch*

**15 minutes**