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PEACE AND SECURITY COUNCIL

476<sup>th</sup> MEETING

16 DECEMBER 2014

ADDIS ABABA, ETHIOPIA

PSC/PR/BR.2(CDLXXVI)

**PRESS STATEMENT**

## **PRESS STATEMENT**

The Peace and Security Council of the African Union (AU), at its 476<sup>th</sup> meeting held on 16 December 2014, devoted the second part of its Open Session to the theme: “Sources of Instability in Africa: Root Causes and Responses: Focusing on the issue of Income Inequalities and Illicit Financial Flows”. Statements were made during the session by AU Member States, bilateral and multilateral partners and international organizations/institutions, as well as by civil society organisations (CSOs) and women’s organizations.

Council took note of the presentation made by the AU Department of Economic Affairs and the statements made by the AU Member States, bilateral and multilateral partners and international organizations/institutions, as well as by CSOs, including Oxfam.

Council and Participants underlined the importance of building social cohesion as a condition for development. A cohesive society is one in which citizens have trust in their State Institutions and public domain and where individuals can seize opportunities for realizing their potential improving their own well-being and the well-being of their children. It is a society where individuals feel protected when facing illness, unemployment or old age.

Council and Participants expressed deep concern over the increasing trend of the rise in inequality across the social strata within the continent. In this context, Council deplored the fact that, each year, the continent loses over 50 billion USD through illicit financial outflows from Africa due to weak accountability systems, tax dodging and evasion, corruption and other malpractices.

Council stressed the need for Africa and involved stakeholders to implement existing AU and international instruments to track and return illegally transferred assets and to put additional mechanisms in areas of need. In this respect, Council called for greater legal cooperation at national, regional and international level. Furthermore, Council underscored the need for transparency and cooperation on the part of those entities, public or private, providing safe havens for assets stolen from Africa.

Council and Participants called on AU Member States and non-state actors, in particular women and youth groups to build synergies in combating the scourge of illicit financial outflows from Africa, which factor is feeding into the spiral of instability in various parts of the continent.

Council and Participants noted the current efforts of the AU Commission, the African Development Bank (AfDB) and the United Nations Economic Commissions for Africa (UNECA) in developing a coordinated African position on the key elements of Illicit Financial Flows and commended African governments and Regional Economic Communities and Regional Mechanisms for Conflict Prevention, Management and Resolution(RECs/RMs) to adopt measures to tackle the domestic and cross-border movement of illicit financial flows from corruption and other sources in order to guarantee appropriate use of domestic resources to

ensure Africa's prosperity in peace and stability, as well as achieve the continental transformative Agenda 2063 during the next decade.

Council and Participants emphasized the need for African countries to continuously diversify into higher value-added sectors in agriculture, industry and services in order to spread the benefits of growth by insuring equal opportunities for all the segments of the population mainly for women and youth. Unlocking the continent's great potential— and increasing its chances of reaping a demographic dividend—inclusive growth will bring peace and prosperity by expanding the economic base across the barriers of age, gender and geography.

Council noted with serious concern the issue of women and youth unemployment and urged AU Member States and other stakeholders to take appropriate measures to address this problem as part of conflict prevention efforts, including through the provision of support for women and youth entrepreneurship.

Council and Participants stressed the importance for Africa to become a more integrated continent where goods, services and people move across countries and regions— creating larger markets, increasing companies' competitiveness and expanding intra-African trade opportunities. In this regard, Council and Participants recognized the need to foster cooperation within trans-boundary basins which makes resource utilisation more efficient and support growth, peace and stability.

Council called and encouraged AU Member State, who have not done so, to sign, ratify and implement the United Nations Convention against Corruption (UNCAC) and the United Nations Convention against Transnational Organized Crime (UNTOC) to ensure effective legal frameworks for asset recovery at national, regional and continental level.

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