

**Remarks by**

**His Excellency Mr. Oh Joon
President of the Economic and Social Council**

**Joint meeting of ECOSOC and Second Committee on
“Illicit financial flows and development financing in Africa”
New York, 23 October 2015**

Ambassador Logar,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

First of all, please allow me to thank Ambassador Logar for sharing the vision of the substantive benefits of a joint meeting of the Second Committee and the Economic and Social Council.

I believe our joint meeting will be a good starting point and example for greater synergy and coordination between the Committee and the Council, especially in cross-cutting subjects which require integrated approaches.

Today's deliberation on illicit financial flows (IFFs) in Africa is both timely and necessary. It is necessary because reducing illicit financial flows and their costs for African economies is a challenging task, calling for cooperation at all levels and among many different actors.

In the process of fundamentally transforming their economies, and balancing critical economic needs with social and environmental sustainability, African countries will need international and regional support, as well as public-private dialogue.

It is also timely because in the wake of the Third International Conference on Financing for Development in Addis Ababa, and the adoption of Agenda 2030 on Sustainable Development, the United Nations and Member States have to engage in critical and innovative thinking on how to finance the implementation of the Sustainable Development Goals.

African countries have to finance a wide range of investment requirements in order to translate the sustainable development goals into tangible actions and reality.

The UNCTAD World Investment Report of 2014 and other sources have highlighted that investment needs in developing countries alone range from 3.3 trillion dollars 4.5 trillion dollars per year, mainly for basic infrastructure such as roads, rail and ports, power stations, water and sanitation, food security, climate change mitigation and adaptation, health, and education.

Ladies and gentlemen,

African countries are amongst the developing countries that will require the biggest proportion of financial resources. Africa will also have to mobilize resources from within the continent, and decide how best to retain and utilize them effectively.

However, UN Economic Commission for Africa estimates that illicit financial flows from Africa could amount to a staggering 50 billion US dollars per year.

The illicit outflows of finance represent for developing countries an important loss of foreign exchange reserves, an erosion of their legal tax base, and bygone investment opportunities from natural resources rents.

It is therefore evident that efforts at domestic resource mobilization must be complemented with efforts at combating illicit financial flows.

I look forward to listening to the contributions from the distinguished panelists on these important questions.

Thank you.