Concept Note

Illicit Financial Flows: Human Security, Self-Reliance and Conflict

Background and Rationale

In November 2023, the UN General Assembly voted to begin negotiations on a Framework Convention on International Tax Cooperation — a process championed by the African Group as a more inclusive alternative to the Organisation for Economic Co-operation and Development (OECD)-led tax governance. As negotiations advance through the Ad Hoc Committee toward a substantive convention and accompanying protocols, African states have a rare opening to shape global rules on tax transparency, exchange of information, and asset recovery in ways that speak directly to the continent's experience of illicit financial flows (IFFs).

This matters because IFFs — spanning tax and commercial abuse, illegal markets, corruption, and the financing of crime and terrorism — have become a critical bottleneck to state capacity across Africa, at a time when aid diplomacy is weakening and debt dependency is rising. According to UNCTAD's Economic Development in Africa Report (2020), 3.7% of Africa's GDP leaves the continent as illicit finance. The stakes are highest in regions facing polycrisis, particularly the Sahel and the Horn of Africa, where unregulated financial flows are being used to finance terrorism and organized crime, diverting resources away from collective security and development.

This dynamic is self-reinforcing: conflict incubates illicit markets such as arms and drugs, while contested control over resources — especially extractives — fuels new conflict. Africa's abundant resource wealth frequently serves as a curse rather than an asset, largely due to mismanagement and diversion through the financial operations of multinational corporations and complicit state actors. A binding, universal tax convention — rather than a patchwork of voluntary standards — offers African states a stronger platform to close these leakages, strengthen domestic resource mobilization, and reduce reliance on aid and debt.

This policy dialogue brings these threads together, using the draft UN Framework Convention on International Tax Cooperation as an anchor to examine how strengthened taxation, regulatory reform, and international cooperation can curb IFFs and support state self-reliance, collective security, and sustainable peace.

Workshop Objectives

The dialogue will explore the nexus of illicit financing, taxation, peacekeeping, and regulatory reform through two interconnected themes:

- Illicit financing and terrorism: how resource-driven conflict, corruption, and weakened state capacity enable illicit financing that fuels terrorism — and the role of international tax cooperation in reversing this.

- Illicit financing and extractive resources: how governance gaps and the self-interest of multinationals and states — as seen in the DRC — erode public trust and constrain regional mediation and law enforcement on money laundering.

Stakeholders will use the draft UN Framework Convention on International Tax Cooperation as an entry point to identify feasible, self-reliant pathways for African states to combat terrorism and build sustainable peace.

Guiding Questions

- In what ways can African nations dismantle the collaborative networks between internal elites and global financial architectures that facilitate persistent capital flight?
- Which systemic overhauls of the global financial framework are essential to prevent the drainage of African assets into offshore jurisdictions?
- How might the campaign against illicit financial flows be repositioned as a fundamental peace and security necessity for the continent's long-term stability?

Expected Outcomes

- A shared, cross-sectoral understanding of how illicit financial flows intersect with conflict, human security, and self-reliance in Africa.
- Concrete policy entry points for African states to engage with the draft UN Framework Convention on International Tax Cooperation.
- Actionable recommendations on domestic resource mobilization and taxation reform to reduce aid and debt dependency.
- A stakeholder network to sustain engagement on the IFF–peace and security nexus beyond the dialogue.
- A concise outcome brief to inform follow-on policy advocacy and programming.

Format, Venue and Date

Format: A two-hour, in-person session convening experts from intersectional and interdisciplinary backgrounds.

Venue: Institute for Peace and Security Studies.

Date: 3rd September 2026.