Chapter 1.

Overview

The negative impact of illicit financial flows (IFFs) on development goals increasingly features on international political agendas. This publication seeks to build evidence on IFFs and their impact, by looking at the relationship between criminal and illicit economies, and their generated revenue in West Africa. The report moves beyond traditional efforts to measure IFFs towards developing a qualitative understanding of how these activities affect the economy, governance, development and human security. It proposes a framework for analysing the diverse ways in which these economies and IFFs threaten development and human security for West African citizens and states. It concludes with recommendations to develop an integrated response to these activities and the networks that perpetuate them, which addresses the enabling environment and seeks to mitigate their impacts on the most vulnerable populations.
Why look at criminal economies and illicit financial flows in West Africa?

Illicit financial flows (IFFs), defined as “money illegally earned, transferred or used” (United Nations Economic Commission for Africa [ECA], 2013), are increasingly understood as a threat to sustainable development and one of the greatest contemporary challenges to global development. They undercut economic growth and legitimate trade, depriving governments of the financial resources they might otherwise invest in public goods, such as health, education and infrastructure. IFFs carry a high price, as they are often concomitant with the illicit-arms trade, drug trafficking and the commodities resourcing conflict. IFFs are particularly prevalent and damaging in the context of developing, institutionally weak and fragile states, where they tend to exploit and exacerbate weaknesses in public institutions, undermine governance and empower those who operate outside of the law.

Because they present a significant threat to security, stability and development, IFFs have increasingly featured on the agenda of leading political initiatives, such as the Group of Eight and the Group of Twenty. For its part, the OECD Strategy on Development (2012) identified IFFs as one of its three priorities, central to its mandate “to promote policies that will improve the economic and social well-being of people around the world” (OECD, 2012).

The OECD has published research on IFFs, with the understanding that combatting the phenomenon would increase the resources available for development. The report on Illicit Financial Flows from Developing Countries: Measuring OECD Responses (OECD, 2014a), for example, compares the performance of OECD member countries on a range of relevant international standards. The present study offers policy makers an analysis of another set of activities generating IFFs: criminal economies. It situates this theme within a development context to synthesise and deepen the existing analysis. In so doing, it helps policy makers understand the scale and impact of such activities, and the resulting IFFs in West Africa.

The African continent remains the second fastest-growing economy in the world: several African countries (Côte d’Ivoire, Djibouti, Ethiopia, Rwanda and United Republic of Tanzania) post growth rates between 6% and 10% (African Development Bank [AfDB]/OECD/United Nations Development Programme [UNDP], 2016). Historically, it receives the highest proportion of official development assistance (ODA) globally (Figure 1.1). Yet while the poverty rate has declined, the number of people in living in extreme poverty has increased substantially since the 1990s, due to population growth (World Bank, 2016): three out of four Africans still live in a country with poor foundations for human development, compared to one in five globally (AfDB/OECD/UNDP, 2016). Income inequality is also rising, affecting the social consensus required to adjust to major shocks and increasing the volatility of economic growth (Ostry, Berg, and Tsangarides, 2014). Countries with higher income inequality tend to experience more homicides; underemployment and lack of opportunity are among the primary reasons young people join gangs, criminal groups or rebel movements, reinforcing the links between inequality and violence. Repeated cycles of violence – whether from conflict or crime – have been estimated to reduce development performance by 20% (World Bank, 2011).

Within the continent, West Africa² arguably experiences the negative impacts of illicit flows most acutely. Lower development indicators, weak state institutions and limited regulatory capacity allow resources to be diverted and illegal acts to thrive, undermining...
the integrity of institutions through corruption. In some countries, corruption has impaired the rule of law, and the relationship between citizens and the state.

Figure 1.1. Bilateral ODA by region

Source: OECD statistics.

Across the continent, IFFs have been proven to resource conflicts and groups with terrorist agendas. A criminal economy in its own right, the illegal arms trade has also chronically exacerbated human insecurity and increased violence levels within communities. According to the United Nations, the continent posts some of the highest levels of homicide in the world (United Nations Office on Drugs and Crime [UNODC], 2014). Firms in sub-Saharan Africa lose a higher percentage of sales to illicit trade and crime, and spend a higher percentage of sales on security, than any other region (World Bank, 2011).

Renewed attention to IFFs has generated a positive momentum to curb illicit flows in Africa, as evidenced by the African Union’s commitment to halve IFFs by 2023 (New Partnership for Africa’s Development [NEPAD Agency], 2014). At the same time, the OECD Development Assistance Committee’s work on IFFs in Africa, and West Africa in particular, recognises the shared responsibility of OECD member countries, as transit or recipient countries, to help partner countries address criminal economies, as well as reduce IFFs and protect the vulnerable from their damaging impacts.

Structure of the report

Based on a literature and data review, the first three chapters provide insights into foundational issues. Chapter 1 presents the overall report and the situation in West Africa. Chapter 2 provides an overview of the region’s key characteristics, and describes how vulnerabilities facilitate criminal economies and illicit trade. Chapter 3 provides an analytical framework for understanding the different forms of harm arising from criminal and illicit economies. It also examines 13 different forms of criminal economies according to a three-part typology: illegal activities, illicit trade in legal goods and illicit resource extraction. Each case provides an overview of the scale of the flow and geographic area of vulnerability, the key actors involved, and the implications and
development impacts of the IFFs they generate. Chapter 4 draws the major conclusions. It provides sectoral recommendations to international, regional and national actors to assist to create an environment – in the region and elsewhere – that is less conducive to criminal economies, and proposes measures to reduce these activities and their impact. In so doing, the report develops a framework for the holistic assessment of the harm resulting from criminal economies and related IFFs to West Africa’s development. This framework can guide international actors and national governments in understanding and responding to these processes.

Scope and definitions

The lexicon around criminal economies and IFFs is not well defined. Terms are often used interchangeably, obscuring the nuances relevant to designing appropriate policy and development assistance. Even when definitions can be agreed, the capacity to apply them consistently may still prove challenging. As this report applies these terms to a broad scope of activities across a large geographic area, there will understandably be grey areas. The following definitions will apply:

**Illicit financial flows (IFFs):** this term is used in its broadest sense, as “money illegally earned, transferred or used” (ECA, 2013). Discussion of IFFs often focuses on their measurement in relation to commercial tax-payment issues. In this report, IFFs are understood as the revenue and proceeds generated by the following activities:

- **corruption:** the proceeds of theft, bribery, graft and embezzlement of national wealth by government officials
- **commerce:** the proceeds of tax evasion, misrepresentation, misreporting and misinvoicing related to trade activities, and money laundering through commercial transactions
- **crime:** the proceeds of criminal activities, including drug trafficking, smuggling, counterfeiting, racketeering (also known as criminal protection or extortion) and terrorist financing (ECA, 2013).

Of course, the balance between these three forms of IFFs differs substantially from country to country. West Africa is deeply affected by corruption and clientelism. However, these issues manifest differently, depending on the extent of the natural resource or export sector (Benassi et al., 2015) and the nature of the illicit flows transiting the country. Typically, higher value illicit flows, such as the trade of narcotics, tend to correlate with higher levels of corruption.

Traditional analyses of IFFs generally focus on discussing their volume, and do not address the extensive, multidimensional nature of the harm caused by criminal economies. IFF analyses also tend to capture their value and impact solely in monetary terms granting more importance to the highest-value outflows. Often, they do not examine other types of illicit activities that may have a greater and more damaging development impacts. For example, cocaine trafficking throughout the region may represent a criminal flow worth over USD 3 billion annually. Its impact, however, arguably pales in comparison to the extensive damage to ecosystems and livelihoods wreaked by illegal fishing in the Gulf of Guinea, a criminal flow worth USD 1.2 billion. Others may observe that although the trade in kidnapping for ransom has generated only around USD 100 million in the last decade, its impact is manifold, as it has directly resourced terrorist groups. Thus, although understanding harm may always be subjective, it is an important analytical exercise that affects the setting of response priorities.
A second challenge deriving from the way IFFs are understood is that the term itself can predefine a set of responses focused on controlling monetary flows, limiting the potential for alternate programmatic or policy responses. For example, policy makers could become intent on strengthening law enforcement or border control and increasing regulation over the financial sector; however, as security and law enforcement officials themselves have noted – and as this study concludes – these interventions can only prove minimally effective within West Africa’s socio-economic and political framework. In a region where the informal sector dominates the economy, where mobility between states is both a citizenship right and a resilience strategy, and where capacity for regulation over borders and transactions is weak, and corruption and impunity are widespread, such interventions are hamstrung. Instead, holistic strategies are required to target those who control criminal enterprises, by studying and breaking down the networks and vested interests that perpetuate these criminal and illicit activities. This will involve analysing the actors and interests – from the level of the community, to the nation state, the region and internationally – associated with global transnational flows, and then co-ordinating and harmonising responses.

Another key finding of this report is that weak policy coherence across the region fuels criminal economies and those who control them. Relevant policy areas include trade and subsidy regimes, as well as criminal justice systems and penalties. As is the case in the rest of the world, criminal networks in Africa can move flexibly among countries, markets and commodities; they search for an environment where they can operate more easily thanks to weaker state institutions, and can acquire legitimacy and support from local communities.

**Criminal economy:** this report uses the term “criminal economies” broadly, referring not only to activities that are clearly illegal, but also to others that are illicit but include some subsistence component (as discussed in the case study on artisanal and small-scale gold mining [ASGM]). With respect to “trade transactions”, the report refers both to illegal goods (such as narcotic drugs) and legal goods that break regulations during circulation. As used in this report, the term entails a component of illegality at some stage in the process – perhaps in the way the goods were sourced or produced, or the manner in which they became illegal in the commercial supply chain (e.g. through theft, diversion or misrepresentation). The report refers to the revenues generated by these economies as IFFs.

The report is structured around a typology of three forms of criminal economies: illegal activities, illicit trade in normally legal goods and illicit resource extraction (Table 1.1). This typology is more fully explained, and applied to a range of criminal economies, in Chapter 3.

The definition of a “criminal economy” includes a number of criminal practices and commodities, such as the trade in stolen oil and cocaine. Although oil is a legal good, trading in stolen oil is an illegal activity that generates IFFs; it reduces government revenue, binds labour in illegal activities and ignores regulations supposed to protect citizens. Cocaine, on the other hand, is clearly illegal, as is the trade in the drug. Not only can the state not legitimately claim taxes over it, it also exacts an additional economic cost because the state deploys resources to respond to the trade that could have been used for other purposes. Services and certain intangible practices can also generate criminal economies and IFFs. For example, Internet-enabled crimes and identity theft are criminal practices that have economic consequences; they are also included within the definition of IFFs.
Table 1.1. Typology of criminal economies

<table>
<thead>
<tr>
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<th>Illegal activities</th>
<th>Ilicit trade in legal goods</th>
<th>Ilicit resource extraction</th>
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<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Activities or commodities that are illegal in all contexts (or, in the case of drug trafficking, are illegal except when used for specific purposes, i.e. medical or scientific purposes); thus, any association with their trade is illegal by default.</td>
<td>Activities that relate to resources predominantly sourced outside of the region, and for which West African countries are a destination or major transit zone.</td>
<td>Activities that relate to resources sourced in the region that are inherently legal, and for which government control and taxation would be expected in normal circumstances, but which have never entered the formal economy, or have moved into the illicit economy at some point between source and market.</td>
</tr>
<tr>
<td><strong>Examples</strong></td>
<td>Drug trafficking, kidnapping for ransom, human trafficking, smuggling of migrants, counterfeiting, cybercrime/fraud, maritime piracy</td>
<td>Ilicit tobacco, arms smuggling, commodity smuggling</td>
<td>Ilicit mining, oil bunkering, environmental crimes (including illegal, unreported and unregulated fishing)</td>
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**Organised crime:** although little consensus exists on the application of the term “organised crime”, it is widely used. Money laundering – i.e. the means through which profits from illicit activity enter the formal or legitimate economy – is typically included within the definition of organised crime. This report, however, focuses on IFFs; hence, money laundering is more relevant as a means to an end, rather than as an end in itself. The issue sits at the nexus between criminal economies and IFFs, and thus will be considered within the context of the proceeds of illicit trade.

A distinction also needs to be drawn between what constitutes an organised criminal act, practice or flow and an organised-crime group. Article 2(a) of the United Nations Convention against Transnational Organized Crime (UNTOC) defines an organised-crime group as “a group of three or more persons that was not randomly formed; existing for a period of time; acting in concert with the aim of at least one crime punishable by at least four years’ incarceration; in order to obtain, directly or indirectly, a financial or other material benefit” (UNTOC, 2004).

This definition has limitations, particularly in the context of Africa, where insurgent or militia groups using illicit resources for political motivations overlap, and where the existing national laws may not criminalise certain acts. It may be the case that activities – typically within the informal economy – that are perceived as criminal at the international level do not carry the same stigma with communities, as they represent an important source of livelihoods and are considered a form of entrepreneurship (Ellis and Shaw, 2015). This local support base may enable alternative governance providers to compete with the state and create alternative sources of authority, particularly among groups – such as minority ethnic groups, immigrants in urban hubs and remote communities – lacking access to public services and protection (Felbab-Brown, 2013; Reitano and Hunter, 2016).

Analysis on the issue of organised crime has splintered into two primary frameworks: the study of the commodity flows and the study of the groups controlling these flows. Arguably, those seeking to prevent certain commodities from entering a market will find it more effective to analyse the flows of illicit commodities and trade as a whole, rather than the individual groups along the value chain, from production and transit to destination. However, understanding the impact of illicit trade in specific areas – e.g. governance or insecurity – requires analysing the interaction of individuals and
groups with those criminal activities in a localised context. To be relevant for local policy making and implementation, the understanding needs to be quite specific and granular, and considered in a given country context. This report aims to draw higher level conclusions and is not intended to achieve that level of country-specific detail.

Distinguishing between organised crime and other criminal behaviour can be useful, and the issue of scale is important. This report is more concerned with organised crime and criminal economies that meet the UNTOC definition (provided above). As such, it discusses subsistence-level criminal activity (e.g. poaching for individual use or ad hoc facilitation of illicit migration) from the perspective of the impact of that subsistence activity on the nation’s economy or socio-political fabric.

**Informal economy**: under the OECD definition, the informal economy includes all economic actors whose activities primarily focus on generating employment or income for themselves alone (OECD, n.d.; International Labour Organization, 1993). This includes activities at a subsistence level or for personal use, such as cash paid for domestic services. The emphasis in using this term, however, is generally not on intentionally illegal activities. Rather, it typically encompasses those activities the local community may not perceive as criminal, such as cross-border smuggling of basic foodstuffs, which predominantly contribute to subsistence livelihoods. In 2010, the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) estimated that the informal economy accounted for an average of 60-70% of total economic activity across the region (Financial Action Task Force [FATF] & GIABA, 2013).

The criminal economies of West Africa

This report focuses on several criminal economies in West Africa, ranging from ASGM or trading in counterfeit goods, which are so widespread they are better considered informal industries rather than criminal practices, to drug trafficking, which are always deemed a serious and organised crime at an international scale. Some West African actors are lead agents in industries such as cybercrime and advance-fee fraud. In other industries, such as trafficking in methamphetamines or enabling illicit extraction of the region’s plentiful natural resources, they are capturing an increasingly important share of the global supply chain.

Numerous systemic factors, related to the region’s geography, demography and socio-economic conditions, enable criminal economies. They are further exacerbated by weak states and governance, including through clientelism, elite resource capture, corruption and impunity. Not only have cycles of conflict and fragility in specific subregions created displacement, fragility and insecurity, they have also opened up space for insurgencies and ethnic conflict to develop into violent extremism. Citizens’ disenfranchisement from the state, as well as states’ inability to provide dividends on citizenship, have given legitimacy to local powerbrokers, armed groups and fundamentalist ideologies. In turn, the paucity of legitimate livelihoods has enhanced the role of criminal economies (some of them informal livelihoods) and the groups enabling them.

Despite the diversity of the activities considered in this report, a number of common conclusions can be drawn, particularly about how West Africa has become more vulnerable to illicit activity, without significant capacity to address them. First, the distinction between “licit” and “illicit” is often blurred, partly owing to the expansive nature of the informal economy generating livelihoods for most of the region’s citizens. Whole communities may depend on specific forms of illicit trade. On the Sahel borders,
this might be commodity and fuel smuggling; in agricultural zones, it might be illicit logging or forced labour sponsoring specific industries, such as cocoa production. With few viable legitimate livelihood opportunities within the formal economy, these other forms of trade and industry – albeit illicit – are subsistence-level activities; they are not criminalised, but rather considered as informal economic enterprises. The profits are generated and invested in basic services and operations within the local community, generating a series of collateral services – including accommodation, food provision and armed security for hire – supporting the industry. This amplifies the benefits of illicit trade and fosters economic dependency on the part of the community. However, subsistence-level activities are more susceptible to predatory behaviour from criminal groups seeking to capture rents and profits, and to extort those working in the informal economy.

Second, individuals engaged in criminal economies and encouraged by the lack of stigma associated with illegal acts are free to parlay their IFFs into political power. Due to the clientelist nature of local and central governments across West Africa, the ability to secure rents and provide livelihoods – whether licit or illicit – can translate into local authority and legitimacy, further blurring the lines (Alemika, 2013). Clientelism, combined with the lack of stigma, transparency and oversight, has translated into a culture of impunity for criminal associations: key figures in business and government can operate within the legitimate and illegitimate economy without censure. They serve as a fulcrum, enabling criminal economies, shifting funds between the licit and illicit economy, and making connections to influential figures. In this way, illicit enterprises hijack the physical and financial infrastructure of legitimate trade in West Africa, and both governance and electoral politics become invested in protecting the interests of criminals rather than citizens.

At one end of the spectrum is elite capture of criminal rents. At the other end, the ability to levy taxes on both licit and illicit trade is increasingly falling outside of the purview of West African central states. Charging for protection – in other words, extortion – is one strategy of criminal groups involved in drug trafficking and other forms of illegal behaviour, and can enrich armed militias involved in the region’s conflict systems, as well as terrorist groups. Across the region, the profits of trade flow to local powerbrokers, instead of to the central state. Protection becomes a commodity in itself, and the use of violence plays a pivotal role in the fight for control.

Finally, low levels of financial inclusion are a major contributor to the enabling environment for criminal economies and IFFs in West Africa. Access to the formal banking system is out of reach for the majority of ordinary people. Money transfer operators (MTOs), the principal means for international remittance exchange and transacting, are prohibitively expensive. This has created a demand for alternative systems operating outside of government regulation, reducing the efficacy of Financial Intelligence Units, and increasing the risks of money laundering and terrorist financing.

Towards a framework for understanding criminal economies and IFFs

This report highlights that existing approaches do not capture the relations between IFFs and criminal economies. In particular, it notes that Goal 16.4 of the 2030 Agenda for Sustainable Development (ASD 2030) requires development actors to respond to the challenges of organised crime and IFFs. With this in mind, it proposes a framework for analysing and prioritising responses, based upon a wider analysis of harm revolving around five areas crucial to development:
• **Physical harm** is harm to persons (homicides, violent crime) or physical infrastructure (damage to property).

• **Societal harm** creates or exacerbates societal tensions (including inciting violent conflict, and ethnic, gender-based or inter-generational conflict or violence), as well as economic or social marginalisation.

• **Economic harm** in the form of direct and indirect harm to the economy. Directly, IFFs withdraw funds from the legitimate economy; they may incite the state to divert resources in order to prevent and respond to criminally motivated harms, or treat or compensate its victims. Indirectly, IFFs damage the economic climate, competitiveness, and investment and entrepreneurship cultures.

• **Environmental harm** is caused by unsustainable use of environmental resources and the by-products of criminal activity.

• **Structural/governance harm** is damage done to the quality of the governance or rule-of-law system as a result of corruption, and through the erosion of the state’s reputation, legitimacy and authority.

These harms can be analysed and felt at the individual, community, national and international levels, with differences based on demographics, gender and specific vulnerable groups.

The proposed framework suggests using these areas of harm as a filter through which to gauge the impact of specific criminal economies. Three sets of questions, derived from the analysis in this report, can guide this assessment of impacts:

1. Where is the good sourced, and is there a local market?
2. Who are the actors and networks involved?
3. Where are the IFFs earned and invested?

These questions add value because, when analysed congruently, they allow stakeholders to better understand the extent and nature of the harm stemming from illicit and criminal activities. This report analysed criminal economies through a typology that isolated illicit financial flows and activities derived from commodities indigenous to the region from those sourced elsewhere.

The first question is relevant both for goods sourced in the region and goods sourced externally. It helps understand the extent of local communities’ vested interest in perpetuating the commodity flow, and encourages reflection on whether the groups trafficking these goods have gained legitimacy. When applied to externally sourced goods, this question also helps determine how this illicit commodity flow might affect the legitimate economy. Answering the first question, the analysis showed that many criminal economies in West Africa (illicit fishing, illicit logging, wildlife trafficking and resource diversion in the extractive industries, including oil theft) centre on indigenous natural resources, including flora and fauna. Their diversion represents a loss of potential benefit to the region’s citizens, and often correlates with practices that are damaging to the environment or unsafe for those engaged in them.

The second question is an important political-economy consideration that examines the underlying agency and incentives associated with the given activity: who is involved (e.g. public, private, entrepreneurial or criminal interests; regional, communal, or even faith-based actors), how heavily invested they may be in the activity, and the extent of their control and influence.
The final question highlights a key finding of this report: the impact of criminal economies – and thus the responses required – differ considerably, depending on where the IFF generated by the criminal economy is earned and invested. This examination of the different forms of criminal economies found that IFFs that remain in the community, country or region contribute to informal economic activity, regardless of how they are earned and even if they are outright illegal (e.g. cybercrime). Understood in this way, they should be seen as a distorting market force impacting on legitimate industries and the formal sector. At the same time, they generate income locally, which will grow the economy as a whole and create livelihood opportunities.

Based on the analysis above, those IFFs that generate local income demand protection – possibly through violence or civil protest – from the individuals or entities to whom the income accrues. Moreover, criminal economies with local markets and locally invested IFFs play into local power hierarchies, resourcing and strengthening those controlling the flow, whether a terrorist group or a local politician. By contrast, those industries – such as natural-resource extraction – where the IFFs are mostly accrued or invested abroad have an entirely different dynamic. The extraction of goods indigenous to the region is a net loss to the state and its citizens. This is particularly true where the goods are a finite resource, and the impact on the environment or sustainability of a species could be irreversible. Goods that pass through countries without a local market and the limited IFFs generated and invested in the region tend to contribute to elite corruption at a scale commensurate with the value of the flow.

Recommendations

The analysis of this report on the region’s susceptibility to criminal economies makes it clear that IFFs are a development problem. The international community has tended to rely too heavily on law enforcement, border control and judicial strategies as the primary response to cross-border threats and criminal economies. However, both regional and international law-enforcement officials interviewed for this report clearly stated that development concerns seriously constrain their ability to address criminal enterprises effectively. These issues include instability; limited state authority or presence; communities and cities for which smuggling is a livelihood strategy, and which present strong economic dependence on those industries; long and porous borders that make credible border enforcement impossible; and limited capacity, resources or political support for sustained investigations.

Several conditions are also needed to ensure effective security responses by law enforcement: developing sustainable livelihoods; promoting the rule of law; enhancing financial inclusion; reducing corruption; and strengthening the capacity and development orientation of the state and state institutions. Leadership by national governments needs to be the primary driver of any kind of response, as reducing or returning IFFs will fail to translate into development benefits for ordinary people if elite corruption persists.

At the same time, given regional interdependencies and the transnational nature of the flow, ECOWAS countries need to work together on common strategies, policies, legislation, taxation and subsidy regimes. Regional approaches are essential, as differences between states create opportunities for criminal economies to develop and move to new countries or subregions, and those strategies need to be followed up with concrete implementation, underpinned by sufficient resources and political will. Strategies and legislation in the West African region are often adequate for responding to criminal practices, but their implementation falls short. Understandably, given the number of
criminal economies, and the relatively low level of capacity and resources available to address them, setting priorities will be key to achieving results. The framework outlined in this report is one tool to help prioritise responses, based on the harm and negative impact on the region.

Achieving results in combating criminal economies also requires support and action in transit and destination countries, including OECD member countries. West Africa is only one part of a global supply chain of illicit goods and services. Many activities centre on commodities produced elsewhere. It is not credible to expect West African states to address these economies in isolation; the responsibility is shared among source, transit and destination countries. Often, markets in OECD member countries drive demand.

Commonly accepted behavioural norms can be changed. This can occur through both legal and judicial means, as well as through market incentives and disincentives (which can be further reinforced by social pressure). By leveraging both state and non-state actors, and working at international and local levels, exposure, awareness raising and activism can promote or discourage behaviour, and signal that “business as usual” cannot continue. This report’s findings highlight the need to bring a full set of instruments to the table, including not only legislative and criminal-justice instruments, but also economic and trade policy, as well as classic development interventions that reinforce stability, foster socio-economic growth, and promote governance and the rule of law.

Notes

1. Per the UNDP (2016), the Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalised indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth, the education dimension is measured by the mean of years of schooling for adults aged 25 years and more and the expected years of schooling is measured for children of school-entering age. The standard-of-living dimension is measured by gross national income per capita. The scores for the three HDI dimension indices are then aggregated into a composite index, using the geometric mean.

2. Specifically, the report addresses the 15 countries covered by the Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cabo Verde, Côte d’Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

3. The term “capital flight” is often used synonymously with IFFs, but this is misleading. Capital flight is commonly understood as the moment capital or resources leave the domestic economy/jurisdiction to secure more favourable returns, which are then not reinvested or returned. This process can be legal or illegal, but will broadly be detrimental to the domestic economy (ECA, 2013).

4. The 2030 Agenda for Sustainable Development, the successor development framework to the Millennium Development Goals promulgated by the 193 Member

References


**Further reading**


