

Call for Short Term Consultancy: Expert Research into IFF's in Africa

Corruption Watch (CW) is a non-profit organisation launched in January 2012. The organisation uses the reports of corruption from the public as an important source of information to fight corruption and hold leaders accountable for their actions. CW exposes corruption through communications platforms and mobilises the public to take a stand against corruption and the abuse of public funds. An important area of CW's work is in research and advocacy of the fiscal transparency space on a national, regional and international level. Central to this is research work of illicit financial flows through the lens of corruption and development in Africa.

Illicit financial flows (IFFs) are a major development challenge for African countries. In the last decades, tax revenues in the continent have increased. Nonetheless, the fiscal capacity of most African governments remains low compared to countries in the Global North. The unlawful outflow of billions of dollars from Africa is a major obstacle to the development of a more effective and just fiscal systems.¹

There are reasons why IFFs raise cause for concern. First, IFFs foster grand corruption by providing the means to secure and enjoy the proceeds of this crime.² Second, IFFs reduce resources available to governments to provide public services such as education, healthcare, and infrastructure.³ Third, IFFs increase inequality by allowing people and companies, especially the richest, to hide their wealth.⁴ Fourth, IFFs induce vicious circles of fiscal infidelity as the perceptions about other people evading taxes induce other people to adopt the same behaviour.⁵ Fifth, IFFs result in unfair competition for African companies as they are essentially embedded in international financial and commercial transactions.⁶

The relevant impact of IFFs on societies is mirrored by great challenges in their estimate. Difficulties in quantifying IFFs pertain to three domains. First, the phenomenon is heterogeneous, multifaceted, and flexible.⁷ Second, criminals make efforts to hide both IFFs as well as their predicate offences.⁸ Third, the transnational nature of IFFs makes it hard to collect data in a comparable fashion.

In response to these needs and challenges, Corruption Watch seeks to appoint a **Short-term Consultant** to research and analyse IFFs related to corruption, tax evasion and tax avoidance, and for the analysis of the risk factors which facilitate IFFs across African countries.

¹ UNCTAD 2020; UNU-WIDER 2021.

² Aziani 2018; Kamga 2021.

³ Ortega, Sanjuán, and Casquero 2020.

⁴ Alstadsaeter, Johannesen, and Zucman 2019.

⁵ Alm, Bloomquist, and McKee 2017; Hallsworth et al. 2017.

⁶ Ngwenya 2018.

⁷ Aziani 2018; Reuter 2017.

⁸ Reuter 2017.

Through the European Union Rallying Efforts to Accelerate Progress (REAP) project, a research methodology has been created which leads to; a) the production of synthetic indicators referring to the threats and vulnerabilities related to IFFs; b) an assessment of the mechanisms used to move IFFs across countries and regions.

The aim of the methodology is to enable the production of these synthetic indicators and a greater understanding of IFFs from Africa. This methodology will help civil society as well as national and international stakeholders in raising awareness on the impact of IFFs on inequality, from a regional and global perspective. As such, the methodology will help in pushing for policy actions and transparency reforms with the long-term view to reducing income and wealth inequalities in Africa.

This call for consultancy is to therefore implement the research methodology by engaging in quantitative, qualitative, and case-study analyses, focusing on three risk dimensions emerged as relevant from previous analysis of IFFs: 1) Institutional and structural vulnerabilities of the country, including the spread of corruption, institutional accountability and the rule of law; 2) the vulnerability posed by the degree in which business ownership structures might be exploited to facilitate IFFs across countries; 3) the vulnerability related to the role of a country in the international financial and commercial networks.

Specific Terms of Reference

The specific terms of reference of the consultancy are apply the research methodology in order to analyse the risks of South Africa being a source of transit of IFFs. The consultant must analyse interrogate and review three main components:

- **Quantitative data-analysis** aimed at the production of composite indicators of IFF risk factors. The quantitative analysis is centred around the identification of factors which determine and / or signal IFFs, in their operationalization by mean of already available datasets, and their summary in composite risk indicators.
- **Qualitative data-analysis**, aimed at investigating in-depth the methods used to siphon capitals out of African countries and the connections between predicate offences (in particular corruption) and IFFs. The qualitative analysis is centred on interviews, surveys, focus groups through which obtain detailed information from experts and stakeholders, who contrast IFFs in the countries of interest.
- **Case-study analysis** aimed at validating the knowledge produced by the quantitative and qualitative analyses, by mean of analysis of actual cases of IFFs. The case-study analysis is centred on the identification of actual cases of IFFs, on the gathering and organization of information on them and finally on the schematization of most recurrent schemes adopted to move capitals oversea, the most frequent destinations of the IFFs, predicate offences, etc.

Key Deliverables

- Produce a comprehensive report detailing research findings;
- Produce a high level briefing note no more than 15 pages, specific to the gaps within the regulatory framework in response to the research findings and identification of areas of regional advocacy for CW.

Availability and timeline

The consultancy work will commence on 1 June 2022 until 31 August 2022. No travel is expected as part of this consultancy. The consultant will complete this assignment from their primary place of work.

Minimum Requirements

The Consultant must have:

- Advanced university degree (Master's level) in finance, economics, international development, law, public/business administration, social sciences, or related discipline or the equivalent experience;
- At least 8 years' experience in national work and/or African regional work in one or more of the following fields: illicit financial flows, fiscal transparency, anti-corruption, good governance, tax policy and revenue administration, financial and fiscal transparency, financial intelligence and regulation, anti-money laundering, organised crime;
- A good track record in research work related to economic value of illicit markets, and/or experience in anti-money laundering, terrorist financing, illicit financial flows and financial crimes;
- Research and/publication with excellent knowledge of illicit financial flows in Africa will be a distinct advantage;
- Understanding of corruption risks and challenges, transparency, good governance, and accountability in the African financial sector;
- Proven research background including highly developed analytical skills, with a track record of undertaking both primary and secondary research;
- Demonstrated written skills;
- Attention to detail;
- Ability to meet deadlines;
- Responsiveness to inquiries and excellent communication skills.

The Consultant will report directly to the **Project Manager**.

If you are interested in a dynamic team committed to exposing corruption, advancing human rights, and improving the environment for whistle-blowers, then this opportunity may be for you. Interested applicant should send the following:

- An expression of interest clearly stating your qualifications, and interest in the research and suitability for the consultancy (not longer than 5 pages),
- Cost of the consultancy,
- Updated CV, with three (3) contactable references.to: admin@corruptionwatch.org.za with the subject line “IFF’s Consultancy”

CLOSING DATE FOR APPLICATIONS: Wednesday, 04 May 2022 after which, it will be rolling for consideration until we find a suitable candidate.