



Fighting Corruption One Goal at a Time

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Introduction and summary

In just a few weeks on September 25, heads of state and government from around the world will gather in New York City at the U.N. summit for the adoption of the post-2015 development agenda.¹ Expected to be the largest gathering of heads of state ever, the summit will set out a voluntary framework known as the Sustainable Development Goals, or SDGs, that will inform global development policy and practice for the next 15 years. The new framework will replace the Millennium Declaration and the Millennium Development Goals, or MDGs—eight goals that the world has used as a roadmap to work toward ending extreme poverty for the past 15 years.²

Crucially, whereas the MDGs, which were launched in 2000, focused mainly on important social aspects of development—poverty, health, and child survival—the new framework is broader and tackles underlying barriers to development. The agreement includes the following specific language to combat illicit financial flows, or IFFs, and corruption, which undermine good governance and development: “by 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime” and “substantially reduce corruption and bribery in all its forms.”³

These objectives, although very general and lacking measurable indicators, seek to halt the proliferation of “global public bads,” injurious behaviors such as corruption, kleptocracy, transnational crime, and terrorism⁴ that cross borders and undermine government accountability, global and local institutions, and international development. Public corruption and bribery, for example, harm citizens by diverting state resources for private gain. The channels for IFFs—such as money laundering, the abuse of shell companies, and unscrupulous intermediaries—enable the proceeds of corruption and bribery to move rapidly across borders and blend with the legal economy. If and when crimes are prosecuted in a foreign or domestic jurisdiction, weak enforcement and coordination prevent the timely recovery and return of stolen assets. Meanwhile, illicit arms, narcotics, and human trafficking thrive by exploiting the same mechanisms and loopholes that facilitate corruption and bribery.

Combating these bads is no easy task. But the international community must get the fight against corruption right. Without cracking down on illicit financial flows, organized crime, corruption, and bribery, attaining progress on broader sustainable development is more expensive and less likely to succeed. While the current language noted above is disappointingly vague and lacks concrete metrics for success, it is nonetheless a good start. In order to succeed, countries will need to translate the agreement into actions that can be implemented and measured against indicators to map progress.⁵ Over the next few months, the Inter-agency Expert Group on Sustainable Development Goal Indicators, or IAEG-SDGs—which is comprised of chief statisticians from countries around the world and includes regional and international agencies as observers—will develop a proposal for indicators that provide standard measures of progress.⁶

However, it will be up to national governments to determine how to make progress on these indicators. This report examines one U.N. member state—the United States—identifies its efforts to date on fighting IFFs and corruption, and suggests actions to ensure that the global fight against corruption is more than mere words. No country can fight this global challenge alone. It will require a global effort to succeed in reducing illicit financial flows and corruption. Thus, the report concludes with recommendations for the United States to take leadership in the global fight against corruption and IFFs.⁷

Illicit financial flows and corruption rob governments and their citizens of revenue; devastate trust in the state and the rule of law; and feed crime, terrorism, and unethical behavior. The U.N. summit for the adoption of the post-2015 development agenda offers the opportunity to take the fight against corruption to the next level by embedding it as a development goal.⁸ Enshrining anti-corruption efforts in high-level discussions and policies would provide a necessary step toward creating a more just and prosperous world.

The Sustainable Development Goals call on nations to “significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime” and “substantially reduce corruption and bribery in all its forms.”

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