



## **Peaceful, Just and Inclusive Societies: SDG 16 implementation and the path towards leaving no one behind**

27 – 29 May 2019

Rome, Italy

### ***Session B3: Leveraging laws and policies to combat corruption, illicit flows, and organized crime***

Date: 28 May 2019, 14:00 – 15:45

Description:

UN General Assembly Resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, adopted a comprehensive, far-reaching and people-centered set of universal and transformative Sustainable Development Goals (the 2030 Agenda). Resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda explained how Financing for Development is an integral part of Sustaining Development and recognized the importance of the UN Convention against Corruption and Convention against Transnational Organized Crime. On 20 December 2017, the UN General Assembly further adopted Resolution 72/207 entitled (the) “Promotion of international cooperation to combat illicit financial flows in order to foster sustainable development”. This Resolution shows the global recognition of the threat to sustainable development caused by illicit financial flows and the urgent need to combat this. Also, the Resolution recognized the challenge posed by the increasing scope and complexity of illicit financial flows and the need for the recovery and return of stolen assets, which necessitates the strengthening of international cooperation on this matter.

Corruption, organized crime and illicit financial flows erode sustainable development outcomes and undermine the rule of law. There is a strong international legal framework for fighting corruption and economic crime, money laundering and the financing of terrorism. In addition, there are well established international standards and a responsive set of best practices. There are also several peer review mechanisms designed to measure countries’ implementation of policies to prevent and deter proceeds generating from crimes – each of which produces diagnostic information and needs assessment. In many respects – the frameworks and tools which existed before the adoption of the sustainable development agenda were already compatible with assisting governments in designing models of effective implementation. For elements of these systems which were not appropriate – or where policies conflicted – dedicated efforts have been made to align policy objectives to policy impact (e.g. to improve policy coherence).

In the absence of agreement on a definition of IFFs and a final statistical methodology for measuring illicit financial flows – it appears that, five years into Agenda 2030 and the Third Financing for Development agenda, however, real progress is slow. For example, studies have shown that the volume of assets flowing from Africa may be over USD 50 billion a year. Of this amount over 40% is estimated to be the proceeds of crime.

This session will seek to identify the key steps that the international community, governments, civil society and communities can take to improve implementation of existing framework and tools to address key areas which could lead to rapid progress in effective implementation:

- i. institutional strengthening;
- ii. interagency cooperation – particularly between public sector financial management, revenue authorities and AML/CFT competent authorities;
- iii. information sharing for financial investigations (domestic and international);
- iv. greater access to systematic information on beneficial ownership.

#### Objectives:

- To highlight the main challenges encountered in combating illicit financial flows and organized crime.
- To provide an overview from select countries on regional and national efforts to trace, freeze, seize and forfeit illicit financial flows from proceeds of crime and to discuss how this addresses development – particularly improving fiscal resources.
- To discuss tax crimes and illicit financial flows typologies.
- To discuss suggestions to improve the implementation of existing laws, tools and frameworks to combat the proceeds of crime: accelerating implementation, the strengthening of institutions and domestic and international cooperation.

#### Key questions:

- 1) What are the main challenges encountered in the delivery of services for combatting illicit financial flows (IFFS) related to proceeds of crime activities?
- 2) How do Camden style asset-recovery inter-agency networks contribute to combating IFFs?
- 3) What key steps can developing countries take to strengthen the institutions involved in countering IFFs and organized crime? How can a country's assessment of its AML/CFT, and corruption and organized crime risks address the impact on sustainable development and how can they prioritize mitigating measures and ensure that they are sustainable?
- 4) What are the different types of incentives for corruption and money laundering and its predicate offences in countries of different income levels and with different social and economic problems (e.g. Between low income countries and low income fragile states and / or conflict countries)? How can policy be designed to address specific threats and vulnerabilities?
- 5) What are the normative frameworks available to deal with increasingly complex and innovative forms outflows of the proceeds of crime? What is the current state of play in the use of these tools to combat IFFs?

*UNODC, Pathfinders, OECD, and UNICRI have been facilitating the organization of this session*