



G20 Anti-Corruption Working Group

Proposal for 2015-16 priorities

Proposed priority

Strengthening asset recovery efforts

Proposing country / organisation

C20

What is the problem?

An estimated US\$ 600 billion in public assets of developing and transitional countries were illegally acquired and deposited in financial centres in the last fifteen years. This is based on StAR's conservative estimate of [US\\$ 20 to 40 billion](#) of such assets taken per year. (This amount does not take into account the damage caused by bribery in international business transactions which also can be estimated to run into tens of billions annually.) Of that amount, no more than US\$5 billion has been recovered and even less returned to the countries from which they were taken, according to World Bank estimates.

"Asset recovery is essential in stopping those who have stolen assets from benefitting from their crimes, and in sending a strong message that there can be no impunity for those who carry out such illegal actions". ([Quote from UK Government](#) at Ukraine Forum on Asset Recovery.) It also restores to countries an important source of financing for development. Improving the whole process of asset recovery, from freezing to return, is a matter of concern the whole international community in terms of the potential benefits.

It remains extremely complex to locate and return such assets: freezing is slow, seizure is difficult, cross-jurisdictional investigations are complex and expensive. The assets are held in accounts of a wide range of financial institutions around the world as well as in real estate investments, luxury goods, certificates of deposit etc. They are not identified promptly due to weaknesses in detecting and acting on these flows as they occur, including weaknesses related to the transparency of legal entities. They are not frozen and confiscated promptly upon detection due to flaws in legal frameworks and procedures in countries where they are held. The experience with Arab Spring countries and the Ukraine shows that too little was done prior to departure from high office of officials suspected of plundering assets.

In addition, there is skepticism about returning assets to countries where there is a lack of transparency in how they will be spent. Enhanced transparency would increase trust in government.

What should the G20 do?

In their 2013- 2014 action plan, G20 leaders committed to develop and make publicly available national guides on international cooperation in asset recovery and to continue engagement with UNODC and the Stolen Assets Recovery Initiative on this issue. The G20 also committed to strengthening international cooperation in a number of ways. This was preceded by commitments in 2010, 2011 and 2012. In Cannes in 2011, G20 countries agreed to key elements of an effective asset recovery framework and a set of principles for asset recovery to be implemented by G20 members. In 2013, with the support of StAR, the G20 Anti-Corruption Working Group undertook and published [benchmarking reviews of each country's approach](#) in relation to those elements and principles.

Asset recovery issues are discussed in other forums, notably the UN Convention against Corruption Conference of States Parties and its Working Group on Asset Recovery as well as in the Human Rights Council and in regional bodies

such as the Council of Europe and European Union. The G8 Summit in 2012 adopted an Asset Recovery Action Plan within the framework of the Deauville Partnership with Arab Countries in Transition, which included development of country guides.

- The G20 should continue to make asset recovery a priority, should assess country progress and should make new commitments for concrete steps to improve outcomes, including financial commitments to assist developing countries.
- In addition, the G20 should use its convening power to analyse and develop principles on the transparent and accountable return of assets, but also in ensuring they are used in a transparent and open manner on return.

What is the deliverable?

The G20 should produce the following set of deliverables in this area:

1. Building on the Anti-Corruption Working Group benchmarking reviews, prepare recommendations to each country for improvements and conduct a further review. Upon receipt of the recommendations, G20 countries should prepare and publish an action plan for implementing the recommendations.
2. Develop principles for the transparent and accountable return of assets
3. Develop mechanisms for the transparent use of funds when returned
4. Prepare a benchmarking report on amounts of technical assistance and funding provided by G20 countries to developing countries to assist asset recovery, including civil actions, and prepare proposals for increasing those amounts.
5. Support the work of the UNCAC Working Group on Asset Recovery by convening a global forum on asset recovery in 2016 including a ministerial level component.
6. Report to UNCAC Conference of States Parties in 2015 on G20 commitments in this area

Who will lead this work?

G20 Anti-Corruption Working Group, with support from StAR

What is the timeframe?

February 2015—Recommendations for country improvements completed

April 2015—Country action plans published

June 2015—Principles for transparent and accountable return of assets drafted, consultations on the transparent use of funds on return.

October 2015—Next round of country reviews completed and published

2015—Report to UNCAC Conference of States Parties

2016—Global forum on asset recovery