World Bank Unveils Stolen Asset Recovery Initiative


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Washington, DC April 14, 2007—The World Bank unveiled an initiative to help developing countries recover assets stolen by corrupt leaders, as part of the institution’s Governance and Anti-Corruption Strategy.

“We at the World Bank, in partnership with the international community, want to help developing countries recover assets that have been stolen by former corrupt leaders,” said World Bank President Paul Wolfowitz. “This is a moral obligation. Recovering even a portion of the stolen assets will help fund development and social programs, or badly-needed infrastructure.”

The Stolen Asset Recovery (StAR) Initiative was discussed yesterday in a working session with country delegates and representatives of international agencies. The session took place as a side event of this weekend Spring Meetings of the Bank and the International Monetary Fund (IMF).

“The recovery of stolen assets is a practical problem,” said Hilary Benn, Secretary of State for International Development of the UK. “This initiative is really timely. It’s about each of us playing our part.”

The cross-border flow of proceeds from criminal activity, corruption and tax evasion is estimated at between one and $1.6 trillion per year -- half of this from developing and transition economies. Corrupt money associated with bribes received by public officials from developing and transition countries is estimated at $20-40 billion. While estimates of such monies are known to be imprecise, they give an idea of the large dimensions of the problem, warranting concerted action.

“The challenge is immense given the complexity and the international dimension of the problem,” said Ngozi Okonjo-Iweala, Distinguished Fellow at the Brookings Institution and former Finance Minister of Nigeria, who played an important role in her country’s recovery of $500 million of Nigeria’s assets stolen by the dictator Sani Abacha. “We will be successful only if solid partnerships are formed with developing and developed countries, and other bilateral and multilateral agencies.”

The Bank is pursuing the StAR Initiative jointly with the United Nations Office on Drugs and Crime (UNODC). The Bank and UNODC will forge partnerships with other agencies, such as the regional development banks, the IMF, OECD, the Norwegian Agency for Development Cooperation (Norad), the G8, Switzerland, and developing countries, to ensure this is a truly global effort.

Proposals on the table for further discussion include:

- Persuading all jurisdictions, especially those containing financial centers, to ratify and implement the United Nations Convention Against Corruption (UNCAC);
- Helping developing countries build capacity for requesting mutual legal assistance for asset recovery;
- Developing partnerships to share information and experience; and
- On a voluntary basis, offering expertise to monitor the use of recovered assets in order to ensure transparency and development impact.
The need to take concerted action to recover stolen assets was a strong message coming out of the multi-stakeholder consultations the Bank held recently on its Governance and Anti-Corruption Strategy, which was endorsed by the Board of Directors in March.