



Achieving the Goals of the 2030 Agenda - Harnessing Potentials of Anti-Corruption

Enhancing effectiveness, realising potentials

Context

The **2030 Agenda for Sustainable Development** brings together economic development and poverty eradication, social inclusion, political empowerment and ecological aspects. The 17 Sustainable Development Goals (SDGs) adopted in 2015 thus promote human rights and the global common good. **Corruption and its consequences run counter to these values and goals of the international community.**

» Corruption is one of the main obstacles to sustainable economic, political and social development, for developing, emerging and developed economies alike.« (OECD, 2014)

Corruption is defined as the abuse of entrusted authority for illicit gain. Corruption usually involves the pursuit of individuals' self-interests at the expense of the community. The misappropriation and diversion of public funds harms society and the state. Citizens are directly affected by the consequences of corruption, for instance when it impairs the provision of essential public goods such as health care, education and security.

Corruption manifests itself in the most diverse forms in many areas of public and private life. It occurs irrespective of a country's form of government, size, population or resource wealth. The non-governmental organisation Transparency International (TI) currently classifies two thirds of the 176 surveyed countries as corrupt. On the Corruption Perceptions Index published by TI, **more than 80 per cent of the partner countries of German development cooperation are perceived as very corrupt.**

Corruption - an obstacle to development

Corruption directly or indirectly jeopardises the achievement of the SDGs, for example in the areas of economic development, inequality and poverty, peace and security, and environmental protection.

Corruption constrains **economic development**. The uncertainty it poses for businesses leads to higher transaction costs, inefficiency and less domestic and foreign investment. It distorts free market competition. Economies that achieve strong growth despite gross corruption often do so at the expense of social and ecological sustainability. Corruption impedes **equitable access to public goods such as education and health care**. It also prevents the social and fair distribution of other resources such as land and income from natural resources. Ultimately, corruption exacerbates **inequality, poverty** and social exclusion and fuels distribution conflicts.

Corruption **delegitimises public institutions**. It corrodes the population's trust in state institutions through nepotism, lack of rule of law and the misuse of resources. This reinforces **political instability**. Organised crime, which is often linked to corruption, and the inadequate functioning of state security agencies create conditions that nurture **state fragility and violent internal conflicts**.

In the areas of environmental protection, climate action and biodiversity, corruption often undermines regulations, protection mechanisms and effective law enforcement. Examples include the granting of illegal construction permits or resource extraction licences in protected areas and bribery of officials to enable unlawful logging, poaching

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and illicit trade in wildlife. Corruption compromises environmental standards, leading to the dumping of waste and untreated wastewater into water bodies or other prohibited methods of disposal. Scarce water resources are overused and catch limits for fish stocks are ignored.

Anti-corruption in the Sustainability Agenda

The fight against corruption has therefore been incorporated into the international development agenda. Target 16.5 of the Sustainable Development Goals calls for ‘substantially reducing corruption and bribery in all their forms’. Target 16.6 aims to ‘Develop effective, accountable and transparent institutions at all levels’. Advances in the fight against corruption and illicit financial flows from developing countries (target 16.4) play an important role in domestic resource mobilisation (target 17.1). The Democratic Republic of the Congo is a case in point: in the period 2013–2015, corruption deprived the country of an estimated USD 750 million in income from natural resources alone.



Problems such as cross-border tax evasion, off-shore tax havens, illegal financial flows and associated phenomena such as organised crime and corruption make it clear that questions of integrity must be addressed globally and comprehensively.«
(German Sustainable Development Strategy, 2017)

In Germany, the national framework for implementing the SDGs is the **German Sustainable Development Strategy** adopted by the Federal Government in 2017. Under Indicator 16.3, the strategy sets out the explicit developmental objective of reducing corruption in the partner countries of German development cooperation by 2030.

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It underlines the need for policy coherence in tackling global challenges: complex transnational challenges call for coherent solutions that require the involvement and equal commitment of all stakeholders in developing and developed countries.

Potentials of anti-corruption

Good governance and effective measures to fight corruption, as formulated in the targets of SDG 16, are **crucial to the successful implementation of all other goals**.

Checking sustainable development projects for corruption **improves the efficiency of the funds used** and helps to **effectively achieve the intended results**. Anti-corruption measures can be designed in a variety of ways. They are based on the principles of **transparency, accountability, participation and integrity**, and they strengthen democratic structures and social cohesion.

Specifically addressing the issue of corruption through careful programme design is also part of forward-looking **risk management**. This helps to protect against the misuse of funds, commercial and political risks and ensures the legitimacy of cooperation.

Anti-corruption efforts can also generate significant added value by **mobilising domestic resources**, which developing countries need in order to implement the 2030 Agenda.

It is clear that anti-corruption measures have enormous potential. They are indispensable to achieve lasting success in implementing the 2030 Agenda.

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