The FCDO's leadership in tackling dirty money to drive forward development and climate goals

- *The FCDO has a unique opportunity to tackle the acute harms of illicit finance that undermine efforts to promote development and protect the planet, starting with the Illicit Finance Summit in December 2026.*

- *The Summit can kickstart an arc of UK leadership on illicit finance through its presidencies of the Financial Action Taskforce in 2026-2028, the G20 in 2027 and the G7 in 2028-9 – in a similar way to how the last Labour government used international fora to leave a lasting legacy through the Jubilee 2000 campaign which cancelled $130 billion in debt for 36 developing countries.*

The problem

Illicit finance **hinders sustainable development and diverts resources from public services**, with a particularly devastating impact on the lives of people in some of the world's poorest countries. An estimated $89 billion leaves Africa as illicit capital flight each year, equivalent to 3.7% of the continent's GDP and nearly twice as much as annual Official Development Assistance inflows. Unchecked flows of illicit finance undermine democratic values and the rule of law by allowing corrupt politicians and officials to steal and launder public funds, entrenching their power and fueling conflict.

Illicit finance **harms the reputation and financial integrity of the UK** as a major destination for this dirty money, with UK banks and professionals like lawyers and estate agents playing an enabling role. Hundreds of millions of pounds of dirty money from countries like Nigeria, Malawi, Bangladesh and Pakistan have ended up in UK bank accounts, high end property and luxury cars. This distorts local markets, exacerbates inequality and undermines economic growth.

Illicit finance **threatens the UK's national security and democratic resilience**. Warning of the risks posed by hostile state actors and organised crime, the 2025 National Security Strategy recognises that "all elements of our security are supported by our ability to tackle finance". All told, over £100 billion is estimated by the NCA to be laundered through the UK annually, and money laundering costs the average British household £255 a year.

Illicit finance **fuels environmental crimes and undermines efforts to address climate change**. The Financial Action Task Force estimates that environmental criminals generate up to $281 billion in illicit profits each year. Gold – which is set to be a major theme at the Illicit Finance Summit – is now the leading mineral driver of deforestation and is becoming the go-to currency for environmental criminals and organised crime groups as gold prices soar. Illicit gold mining is linked to extremely serious environmental harms and human rights abuses, from cyanide-poisoned rivers in Liberia and the destruction of protected indigenous land in the Amazon, to brutal war in Sudan.

The opportunity

The FCDO has a **ready-made opportunity to deliver on the international stage** through the Illicit Finance Summit. Originally scheduled for June 2026, the Summit was postponed until December 2026, so the government has already laid much of the policy and diplomatic groundwork.

Delivering commitments from the Labour manifesto and the Anti-Corruption Strategy, the Summit offers a rare chance to build a **diverse coalition of allies and international financial centres** at a time when backsliding in anti-corruption norms poses a fundamental threat to democracy and development across the world. By building the UK's soft power, the Summit can generate business and trade benefits for the UK while laying clean foundations for economic growth.

The Summit is an opportunity to **demonstrate the FCDO's role as a trusted partner to Global South countries** who consistently express frustration at the role that London and the UK's Overseas Territories and Crown Dependencies play in enabling outflows of wealth from their countries. With reduced overseas aid, this new partnership offer to Global South countries would prove the UK is serious about helping them keep more of their wealth, build democratic resilience, and move away from reliance on aid.

With clear political vision and effective leadership from the Foreign Secretary, the Summit is a major opportunity to leave **a lasting legacy in the global fight against dirty money**. Leveraging the UK's convening power, the Summit can achieve:

- A multi-stakeholder alliance to pioneer a global harmonised framework for responsible gold supply chains
- An international crypto enforcement hub to build operational capacity to tackle the abuse of crypto assets
- A global compact to end anonymous real estate ownership
- A pilot for international cooperation to tackle professional enablers of illicit finance
- A transformative breakthrough in cross-border, public-private information sharing on illicit financial flows
- A step change in the seizure and repurposing of illicit wealth to compensate victims and fund further asset recovery

Recommended next steps

1. The Foreign Secretary should **make a high-level political commitment** to tackle illicit finance as part of an ambitious agenda to drive development and protect the planet. While preparations for the Summit are underway, decisive political leadership from the Foreign Secretary is essential to seize its full potential. This public announcement should commit to working with the Home Office, Treasury and the Anti-Corruption Champion to deliver the Summit.

2. The Foreign Secretary should **mobilise the whole of HMG** to ensure the UK has its own house in order ahead of the Summit and builds stronger international partnerships to tackle illicit finance. Ensuring other government departments bring something to the table and allocate resource to deliver Summit commitments will be crucial for the credibility of UK leadership. This should include working with the Secretary of State for Justice to leverage the Summit to finally secure corporate transparency in the Overseas Territories and Crown Dependencies.

3. The Foreign Secretary should **reaffirm the resources for the FCDO illicit finance teams** including protecting the existing mission of the illicit finance International Centre for Excellence which contains unique expertise that has taken years to build and is crucial for the credibility of the initiatives the UK takes forward in international fora.

4. The Foreign Secretary should **ensure continued investment in crucial enforcement units** such as the International Anti-Corruption Coordination Centre, and the aid-funded International Corruption Unit in the NCA to help drive global asset recovery efforts. There should be greater costs retention and use of reinvestment of recovered assets back into law enforcement to increase the expertise and technology in these units.[1]

5. The Foreign Secretary should **increase investment in the sanctions team** that delivers the Global Anti-Corruption Sanctions regime, and use sanctions creatively including to tackle environmental harms fueled by corruption. Currently just two FTE staff work on delivering anti-corruption sanctions which when used in conjunction with law enforcement have the potential to lead to significant disruption and seizure of assets.

6. The Foreign Secretary should **ensure strong multi-stakeholder engagement** with the Summit, including from civil society in Global South countries, and that there is a strong post-Summit monitoring mechanism. With our Executive Director on the FCDO's Summit Advisory Group, Spotlight on Corruption is well-placed to support preparations for the Summit and we have worked with our partners in the UK Anti-Corruption Coalition to develop ambitious yet pragmatic proposals for the Summit. Acting together, we can help mobilise civil society, including international development NGOs at Bond and NGOs in the Global South, which will be crucial for a successful Summit.

[1] In the last 5 years, the International Corruption Unit has recovered £474m assets and returned £204m to developing countries on a budget of around £5m a year, meaning that for every £1 invested, £14.76 has been recovered.