

*GOVERNANCE*

BASEL INSTITUTE ON GOVERNANCE

# Basel Institute on Governance

Annual Report 2009



The Basel Institute on Governance (BiG) experienced another dynamic and successful operational year in 2009. Both branches of the Institute, the International Centre for Asset Recovery (ICAR) and the Centre for Governance and Anti-Corruption (GOV) attracted a significant number of new partners enabling both branches to increase their activities.

Prof Dr Mark Pieth, Chairman  
Daniel Thelesklaf, Executive Director

## Structural and personnel issues

### Structure of the Institute

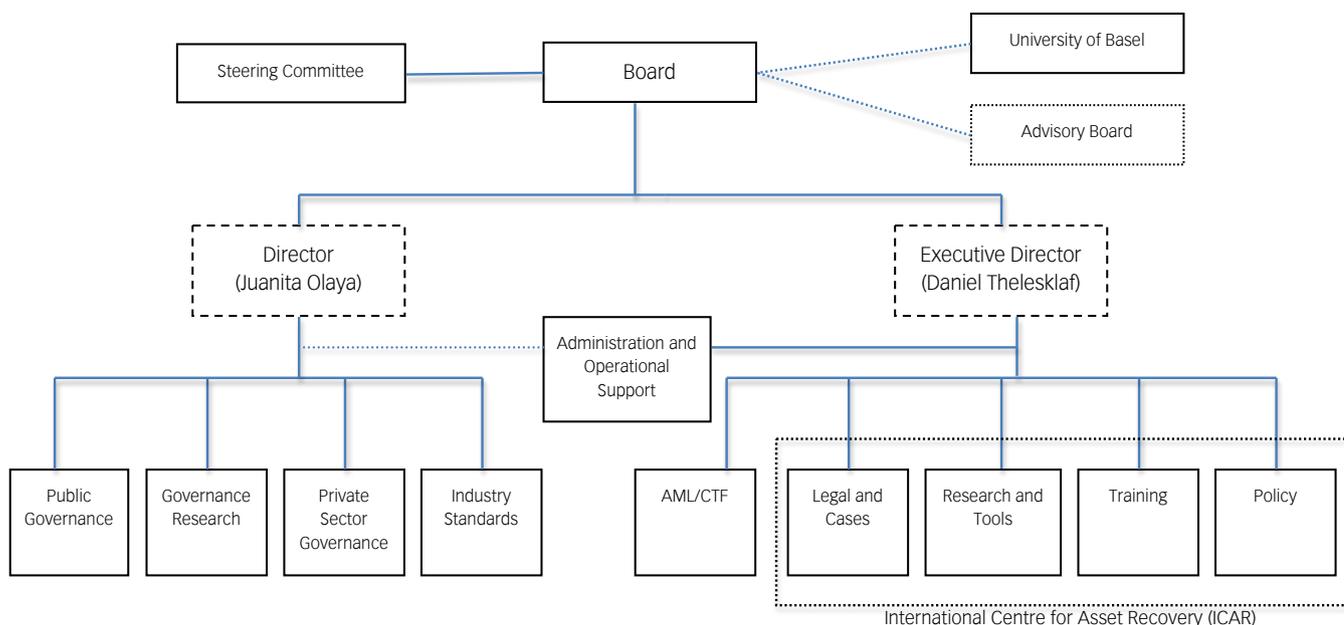
Throughout 2009 the Institute continued to be managed by a co-directorship between Anne Lugon Moulin and Daniel Thelesklaf, whereby each Executive Director maintained primary responsibility for the activities of one of the two divisions as well as responsibility for specific management aspects of the Institute: Daniel Thelesklaf was responsible for the ICAR division (including the Anti-Money Laundering/Counter Terrorism Financing sub-unit of the GOV division) as well as for the management of the Institute's human resources, general administration and IT Support. Anne Lugon Moulin was responsible for the GOV division (Public Governance, Private Sector Governance, Research and Standard Setting) and for the Institute's finances, donor relations and communication.

At the end of 2009, Anne Lugon-Moulin, who had been on unpaid leave from her previous employer, the Swiss Agency for Development and Cooperation (SDC), returned to SDC. She was appointed Deputy Head of the CIS Countries Division as of 1 January 2010. The Board wishes to express its gratitude for Anne's extraordinary contribution to the success of this year.

The two operational divisions of the Institute, the ICAR and the GOV, are both supported logistically and administratively by the "Resources and Operational Support" division.

As of January 2010, the new structure will be as follows:

### Organigramm Basel Institute on Governance 2010



### **Board Members**

Prof Dr Mark Pieth  
Prof Dr Anne Peters  
Prof Dr Lukas Handschin  
Prof Dr Anton Schnyder  
Prof Dr Till Förster  
Dr Marco Balmelli  
Dr Hans-Peter Bauer  
Dr Thomas Christ

### **Team**

In view of the increase in activity level, additional staff recruitment was essential in 2009:

#### ICAR:

- Phyllis Atkinson from South Africa joined the ICAR as a Senior Asset Recovery Specialist in June 2009.
- Pedro Pereira from Brazil joined the ICAR as a Asset Recovery Specialist in June 2009.
- Anja Roth from Germany and Kodjo Attisso from Togo joined the ICAR as Interns/Research Assistants in mid-September 2009.

#### GOV:

- Dr Jan Richter from Germany was recruited in the fall of 2009 as the new Head of Public Governance as of January 2010.

#### AML/CTF:

- Oleksiy Feshchenko from Ukraine was recruited in September 2009 to join the AML/CTF unit as a Senior AML/CTF Expert.

#### Resources & Operational Support Unit:

- Brigitte Hochuli joined the Institute as the Financial Officer in January 2009.
- Claudio Künzler joined the Institute as the IT Support Officer in November 2009.

The Institute continues to periodically rely on external experts, especially in the areas of Private Sector Governance and AML/CTF. The Institute has an extensive network of peers and practitioners worldwide.

The Institute also regularly employs persons who have been recommended to the Institute through the BNF Programme of the University of Berne. The BNF programme is a public service provider assisting well-skilled, unemployed scientists, to seek temporary work assignments within organisations and businesses where they are able to gain work experience while continuing to look for a permanent job. BNF programme members employed by the institute have generally been able to find permanent employment during or shortly after their internship with BioG. The opportunity to work for the Institute, it enables such qualified individuals to access new networks and professional insights. In 2009, the Institute had four staff members under this programme: Anja Dräger, Elena Huber, Sarah Colombo and Annette Zeller.

In the course of 2009, Greg Cooper, Yara Esquivel, Ignasio Jimu, Lucy Koechlin, Hari Mulukutla and Zora Ledergerber left the Institute. The Board wishes them all the best for the continuation of their careers.

# The Centre for Governance and Anti-Corruption (GOV)

## Public Governance

### UNCAC Compliance Reviews

Funded by the “Deutsche Gesellschaft für Technische Zusammenarbeit” (GTZ), the Basel Institute on Governance, in collaboration with the Kenya Anti-Corruption Commission, completed a comprehensive compliance review of the Kenyan legal and institutional anti-corruption framework against the provisions of the UN Convention Against Corruption (UNCAC). This process included providing assistance to the Kenyan Government in the elaboration of an implementation plan, in relation to the recommendations which had been elaborated during the review period. An ICAR expert was part of the team to provide specific guidance on Chapter V of the UNCAC. This UNCAC compliance review for Kenya was completed in mid-2009.

The Institute was commissioned by the Transparency International (TI) Secretariat to assist civil society organisations with the development of an UNCAC Gap Analysis Review Manual to use in analysing how national laws and practice compare to the standards established in the UNCAC. The Institute has completed the development of this manual. The manual is also intended for guidance on when and how to conduct a combined gap analysis for UNCAC and other anti-corruption conventions as well as steps on how to carry out a joint/combined UNCAC gap analysis and TI National Integrity System assessment.

The Institute participated in an UNDP tender process for the provision of services on “Organising UNCAC Compliance Reviews and Developing the Guidance Note to conduct UNCAC Compliance Reviews in Other Countries.” In December 2009, the Institute was awarded a contract for conducting such UNCAC compliance reviews in three Asian countries.

The Institute furthermore successfully participated in a tender process with GTZ. There too, the Institute had been selected, jointly with the BRAC University of Bangladesh, with whom the Institute had submitted the original proposal for the tender, to be part of a pool of expert institutes that will be called upon in the future to carry out UNCAC compliance reviews for GTZ, as requests from countries are submitted to GTZ.

## Research

In early 2009, the Institute, together with the Swiss Tropical and Public Health Institute (STPHI), launched its interdisciplinary research project on “The Governance of Health Systems”, which is funded by the Swiss National Science Foundation (SNF). The main focus for the research team was to develop an analytical framework for the assessment of governance of health systems of low-income countries. Advancing towards meeting that objective has entailed work at the conceptual level in developing the theoretical foundations required for adequate health systems governance assessment.

Three manuscripts have been drafted and revised throughout the year with the aim of submitting them for publication in 2010. The first manuscript, aimed for a health sciences journal, is an overview paper providing a survey of the state of the art in health systems’ governance, pointing out where significant gaps still exist, and suggesting how the approach that is being developed within this project will contribute to the current debate. The second paper, aimed for a political science journal, describes in detail the approach to understanding and assessing governance that is being developed within this project. The third manuscript, aimed for a health science journal, describes how the governance assessment framework can be applied to informal payments as a manifestation of poor governance in health systems.





The second objective of this research project is to apply and test the analytical framework in Tanzania and Tajikistan. In relation to this, and although the actual field work will only take place in 2010, already in 2009 several steps were undertaken to prepare for the research activities that will be conducted in these two countries.

Throughout 2009, the GOV division continued to strengthen its cooperation and collaboration with research partners and academic institutions both in Switzerland and abroad, including the Swiss Tropical Public Health Institute, the ETHZ Nadel and the University of Konstanz.

## Consultancies

The OECD commissioned two of the Institute's experts, under the Istanbul Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia, to carry out evaluations of the existing anti-corruption structures, rules and regulations in Georgia and Azerbaijan. The objective of these evaluations is to gain a detailed overview, as well as a qualitative analysis, of the types of anti-corruption laws and structures that are currently in place in these countries and to produce a country report based on these findings. On-site visits took place in December 2009.

The Institute reviewed the anti-corruption guidelines of Swiss State Secretariat for Economic Affairs (SECO) based on an internal draft. On that basis, SECO mandated the Institute to elaborate three case studies to be used internally in order to train people on major corruption risks in development assistance and on ways to address these risks.

The Institute was further contracted to design and carry out a 5-day training workshop on the topic of "Social Accountability" for all Eastern and Southern Africa Cooperation Offices of the Swiss Agency for Development and Cooperation. The workshop took place in November 2009. The work of the Institute in this training workshop was funded by the Swiss Agency for Development and Cooperation (SDC).

An expert of the Institute participated in a European Union funded anti-corruption assistance programme for Romania, entitled "Continuing the Fight against Corruption in Public Administration." He participated in a number of assessment and evaluation missions to Romania and provided legal expertise into the drafting of the Ministry of Justice's Anti-Corruption and Integrity Strategy. Within the framework of this assistance programme, two seminars were developed and implemented: One, on the topic of "legal obstacles to a successful investigation and prosecution of complex corruption cases", and a second one on the topic of "asset tracing and recovery in Romania."

The Institute finalised two project mandates for the Council of Europe which the Institute had commenced in late 2008: Firstly, the completion of three micro-system study reports focusing on the corruption risks in the health, education and tax sectors of Azerbaijan. The objective of this study was to gain a detailed overview, as well as a qualitative analysis, of the types and extent of corruption in these three sectors as well as to develop measures against it. Secondly, the completion of surveys on corruption in Ukraine where the Institute experts supported Ukrainian research partners in compiling the surveys. Both projects required the Institute experts in early 2009 to conduct a second on-site field trip to Azerbaijan and Ukraine. The reports and surveys were completed at the end of April 2009.

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## **Private Sector Governance**

The Basel Institute continued to provide advice to a large European bank to redefine its entire compliance system. This mandate commenced in 2008 and continued through 2009. It consists primarily in elaborating anti-corruption/anti-money laundering internal policies and guidelines as well as in providing specific recommendations on how to best organise and structure a compliance system. The Institute has meanwhile reorganised the bank's ethics and compliance system. In the next step, the new system will be rolled out to branches and subsidiaries.

The Institute also carried out a meta-evaluation of the certification process of a European company that certifies compliance systems of commercial enterprises. For doing so, the experts also had to assess one of the certifications which was awarded to a multinational company in 2009.

## **Industry Standards**

In 2009, the Institute worked closely with key partners from the power sector and made progress in analysing particular corruption risks pertaining to the power sector for the longer-term purpose of being able to devise common industry standards to fight corruption in the power sector.

Two separate, full-day meetings with relevant stakeholders of the power sector were convened in Basel, Switzerland, which led to substantial progress in defining risks and potentially common standards.

The Institute also co-led the process of further elaborating industry standards for the Logistics and Transport Industry, together with the World Economic Forum (WEF).

As a Board member of the WEF Partnering against Corruption Initiative (PACI), the Chairman of the Institute supports the work of the PACI team and facilitates PACI meetings, be it during the annual Davos meeting or at the bi-annual task force meetings. PACI is seen as a major forum for private companies to share concerns and experiences in the field of anti-corruption.

A board member of the Institute participated in the meetings of the Wolfsberg Group. The Wolfsberg Group is an association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know-Your-Customer, anti-money laundering and counter terrorist financing policies.

## **Anti-Money Laundering/Counter-Terrorist Financing (AML/CTF)**

Two large AML/CTF projects in 2009 were carried out in Kyrgyzstan and Armenia.

In Armenia, on behalf of the Central Bank, the Institute developed and implemented a compliance certification programme for compliance officers of financial institutions and designated non-financial businesses and professions in Armenia. The programme consists of 1000 modules which are presented as multiple choice tests. The European Bank for Reconstruction and Development provided funding for the project.

In Kyrgyzstan, the International Monetary Fund (IMF) commissioned the Institute's experts to carry out a technical assistance programme to increase the AML/CTF capacities and skills of the Financial Intelligence Unit, the National Bank and the Securities Market Supervisor. This project is being implemented over a period of 18 months, requiring the Institute experts to conduct mission trips to Kyrgyzstan every 6 to 8 weeks. The project is funded by the Government of Switzerland through the IMF.

In addition, the AML/CTF unit carried out a number of other assignments:

In Turkmenistan, the Institute participated in a general AML/CTF needs assessment and training mission (funded by the IMF).

The IMF and the Council of Europe commissioned the Institute to run several short AML/CTF capacity building training sessions in Azerbaijan where recently a new AML/CTF law has been enacted. The purpose of the training sessions was to teach and inform how the new law shall effectively be implemented and enforced by those state authorities required to do so.

In late 2009, the Institute was awarded a contract from the Ministry of Finance of Tanzania for a project proposal for an AML/CTF training programme as well as for support in drafting AML/CTF regulations.

In December 2009, the Institute organised the third International Seminar on Countering Terrorist Financing ("Giessbach III") in Lucerne, Switzerland (see page 15). Based on the outcomes of this event, the Institute began to create an informal online platform for experts involved in processes aiming to counter the financing of terrorism. This "Experts Network Countering Terrorist Financing (ENCOUNTER)" represents a forum for this specific group of professionals to network, connect and exchange information in an informal and timeless manner concerning issues in the area of countering the financing of terrorism (<https://encounter.baselgovernance.org>).



## Trainings

In cooperation with the "Unité de lutte anti-corruption", and with funding from the World Bank Institute, the Institute developed and carried out a comprehensive anti-corruption, asset recovery and AML training programme for relevant authorities of Haiti who are responsible for implementing and enforcing anti-corruption measures in Haiti. Experts from both the GOV and ICAR division prepared and conducted various sessions of the training, including interactive and practical exercises, covering the full spectrum of preventive and repressive anti-corruption measures during 2 weeks. The training took place in Port-au-Prince, Haiti, in June 2009.



## The International Centre for Asset Recovery (ICAR)

The International Centre for Asset Recovery (ICAR) continued to develop and deliver a high number of asset recovery capacity building programmes, both at a national and regional level, around the world, supported by core funding from the Swiss Agency for Development Cooperation (SDC), the UK Department for International Development (DFID) and the Principality of Liechtenstein, as well as by project-specific funding from partners such as UNODC and the World Bank (through their Stolen Asset Recovery Initiative, StAR) and the Council of Europe. The ICAR's IT Business Development Unit produced and further developed a series of IT tools and continued to populate the online Asset Recovery Knowledge Centre with updated asset recovery information.

### ICAR Trainings

The ICAR developed and carried out a total of 12 interactive and participant-based asset recovery programmes in Africa, Asia and Eastern Europe, by a team of experts composed of experienced prosecutors, mutual legal assistance experts and investigators. In total, over 600 practitioners from 17 countries were trained in tracing, seizing, confiscating and repatriating stolen assets.

**Azerbaijan:** Commissioned by the Council of Europe, the ICAR conducted two 2-day asset recovery/anti-money laundering training programmes for investigators and prosecutors in Baku, Azerbaijan, in July 2009.

**Georgia:** At the request of the Ministry of Justice of Georgia, the ICAR dispatched a team of experts to conduct an asset recovery assessment mission in Tbilisi, Georgia in September 2009. Based on the assessment results, the ICAR team will deliver a series of trainings in Georgia in 2010.

**Indonesia:** Jointly with UNODC, the ICAR prepared a series of training activities for the law enforcement agencies in Indonesia in the framework of a European Commission funded anti-corruption project. The training activities will be delivered in 2010 and 2011.

**Malaysia:** Funded and requested by the Ministry of Justice of Malaysia, the ICAR carried out a 3-day asset recovery and mutual legal assistance training programme for investigators and prosecutors, in Kuala Lumpur, Malaysia, in July 2009.

**Nigeria:** Co-funded by UNODC, the ICAR delivered a "train-the-trainer" series of financial investigation training programmes for magistrates and judges, conducted in five separate sessions, in Abuja and Lagos, throughout 2009.

**Ukraine:** Commissioned by the Council of Europe, the ICAR developed and delivered two asset tracing and recovery programmes for investigators and prosecutors of the Ukraine, in April and in September 2009.

**Zambia:** Commissioned by DFID of the UK, the ICAR conducted a two-week asset tracing and recovery training workshop for prosecutors and judges in Lusaka, Zambia, in August 2009.

**International Criminal Court (ICC):** The ICAR provided two training programmes on mutual legal assistance to investigators from the Office of the Prosecutor of the ICC in The Hague, Netherlands, in June and October 2009.

In 2009, the ICAR received 3 additional requests for technical assistance from African countries and began preparing asset recovery capacity building programmes which will be implemented in 2010.

The following two World Bank/UNODC Stolen Asset Recovery (StAR) training programmes were implemented by the ICAR:

**East Africa:** A six-day, regional training programme on asset tracing, recovery and mutual legal assistance for investigators and prosecutors from Kenya, Tanzania, Uganda, Rwanda and Burundi was held in Mombasa, Kenya, in March 2009.

**Vietnam:** A six-day, asset tracing and recovery as well as mutual legal assistance training programme was carried out for investigators and prosecutors of Vietnam in Hanoi, Vietnam, November 2009.

Additional training activities included:

**Bolivia:** An expert of the ICAR participated in and presented a mutual legal assistance training element at a workshop in La Paz, Bolivia, in December 2009 (funded by StAR).

**Kazakhstan:** Funded by the OSCE, the ICAR participated in a 3-day workshop for prosecutors and investigators in Astana, Kazakhstan, in July 2009.

**Montenegro:** An expert of the ICAR participated in an anti-corruption training programme of the Anti-Corruption Commission of Montenegro providing a training element on asset recovery, in Kolasin, Montenegro, in October 2009.

**Interpol:** Jointly with the Anti-Corruption division of Interpol, the ICAR conducted a 3-day international workshop on Kleptocracy in Lyon, France.

## Legal and Advisory Services

The ICAR provided legal advisory services to assist countries with the development of their asset recovery policies and practises as well as with their institutional and legislative reforms related to asset recovery. In general, such services and assistance included facilitating the access to contacts in an international context and improving formal and informal channels of communication between requested and requesting states.

**Central America:** Commissioned by StAR, an ICAR expert participated in a fact-finding mission to a Central American country.

**South Asia:** In December 2009, funded by StAR, an ICAR expert participated in an asset recovery assessment mission to an Asian country to determine the actual situation of asset recovery cases which currently affect the country and to propose strategies for moving forward on the cases. The ICAR is continuing to engage with the country in a strategy designed to take

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## Asset Recovery

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\* The Asset Recovery Experts Network is a global forum for professionals, who are involved in recovering stolen assets, to connect, network and share information, at all times, on issues related to asset recovery.



forward a number of substantial leads on several potential asset recovery cases involving foreign jurisdictions.

**East Africa:** The Government of Tanzania requested assistance from the ICAR to help build up an asset recovery unit in the Directorate for Public Prosecutions. An ICAR expert visited Tanzania in September 2009 and provided for practical advice on how to develop such a unit and how to construct a proper structure to link in with other key agencies. The ICAR is now in the process of developing a longer term strategy that will involve policy advice, legislative advice and assistance on possible case strategies for the near future.

**International Criminal Court (ICC):** The ICAR experts provided ongoing advice to the Office of the Prosecutor of the International Criminal Court in developing the financial investigations related to the investigation of war crimes under the ICC's jurisdiction.

**Civil society:** The ICAR also began to engage in 2009 with a number of civil society organisations that are in the process of launching legal proceedings against kleptocrats and seeking to recover their illicit wealth. The ICAR has provided legal advice and opinions on a number of complex international scenarios that are arising from the ongoing cases.

## IT Business Development

### Asset Recovery Knowledge Centre

Throughout 2009, research and expert staff of the ICAR regularly followed the developments in the field of asset recovery, nationally and internationally, in order to be able to continuously add new and relevant information about asset recovery onto its online Asset Recovery Knowledge Center (<http://www.assetrecovery.org>). Such information has included news articles and reports, new details for the existing country profiles as well as specific asset recovery legal information. By the end of 2009, this online resource tool, which is public and free-of-charge, contained 21 dedicated country profiles with in-depth material on legislation, treaties, asset recovery mechanisms and relevant authorities.

### Asset Recovery Intelligence System (ARIS)

In participation with the Egmont Group of Financial Intelligence Units (FIU), the ICAR initiated the development of a software tool to assist FIU analysts in finding information on persons and companies that occur in Suspicious Activity Reports. The Asset Recovery Intelligence System (ARIS) will use publicly available information from the internet as well as commercial news archive sources and PEP lists to find information related to the input target entity. In the beginning of 2009, a proof-of-concept was developed and presented at the XVIIth Egmont Plenary Meeting in Doha, Qatar. Based on the received feedback and contacts established at this meeting, the end-user specifications were refined and reviewed in a one-day workshop preceding the Institute's annual Giessbach conference, "Giessbach III", in Lucerne in December 2009. The ICAR is currently evaluating various technology providers in the field of semantic data analysis in order to find a technology partner for the technical realization of parts of the project.

## Asset Recovery Experts Network (AREN)

In mid-2009, the ICAR began developing an online forum for professionals, who are involved in processes of recovering stolen assets, to informally connect, network and to exchange information and experiences related to asset recovery. This is the first, informal, online type of forum for professionals in asset recovery, and while it is similar in construct and application as Facebook, the tool remains exclusive in that it is restricted to a particular audience. As such, therefore, the tool is carefully managed and supervised by experts of the ICAR. The pilot version of AREN was launched at the UNCAC Conference of the States Parties in Doha, Qatar, in November 2009. At the end of 2009 the network already had more than 180 members from more than 30 countries.

## Training Automation Tool for ICAR Trainers

The ICAR has developed a software tool in order to be able to more efficiently streamline the process of customizing the ICAR practical training products to the particular needs of the country where the training is to be deployed. In the past, up to 300 hours were required to adapt a particular training programme for one country to the needs and requirements of another country, in terms of language, realistic names of persons and companies, local currencies, etc. With the development of this training automation tool, trained ICAR staff is now able to achieve the same adaptation effect within one day. So far, two major training sets have been transformed to the effect that they can be used with the application of this tool.

## Publications

### BOOKS AND BOOK CONTRIBUTIONS

Mark Pieth/Daniel Thelesklaf/Radha Ivory (eds.), *Countering Terrorist Financing – A Practitioners' Point of View*, with a preface by Micheline Calmy-Rey, Peter Lang AG, Bern 2009, ISBN 978-3-03911-731-4

Mark Pieth (ed.), *Recovering Stolen Assets (Russian Edition)*, with a preface by Eva Joly, Peter Lang AG, Bern 2009, ISBN: 978-3-0343-00083-4

Anne Peters/Lucy Koechlin/Gretta Fenner/Till Förster (eds.), *Non-State Actors as Standard – Setters*, with a preface by Mark Pieth, Cambridge University Press, 2009, ISBN 978-0-521-11490-5

International Centre for Asset Recovery, *Tracing Stolen Assets – A Practitioner's Handbook*, with a preface by Mark Pieth and an Introduction by Phyllis Atkinson, Basel Institute on Governance, 2009. PDF download available on [www.baselgovernance.org](http://www.baselgovernance.org)

Daniel Thelesklaf/Ralph Wyss/Dave Zollinger/Mark van Thiel, *GwG Geldwäschereigesetz – Kommentar*, Orell Füssli Verlag AG Zürich, 2. Auflage 2009, ISBN 978-3-280-07218-9

Erica Harper, *International Law and Standards Applicable in Natural Disaster Situations*, (editorial collaboration and contributions by Gretta Fenner and Mirella Mahlstein from the Basel Institute on Governance), International Development Law Organization, 2009, ISBN 978-88-96155-00-4

Daniel Thelesklaf, *Bekämpfung der Geldwäscherei und der Terrorismusfinanzierung in Deutschland, Liechtenstein und der Schweiz – Gemeinsamkeiten und Unterschiede*, in: Doris Wohlschlägl-Aschberger (ed.), *Geldwäscherprävention*, Manz'sch Verlagsbuchhandlung, Wien 2009, ISBN 978-241-00516-0

Zora Ledergerber/Daniel Thelesklaf, Die Rolle der Finanzintermediäre in der Korruptionsbekämpfung, in: Monika Roth (ed.), Close up on Compliance - Recht, Moral und Risiken: Nahaufnahmen zu Compliance Management und Governance-Fragen, Dike Verlag, Zürich, 2009, ISBN 978-3-03751-182-4

Anne Lugon-Moulin, Mismatches between corruption perception, corruption victimisation and anti-corruption measures, in Sebastian Wolf and Diana Schmidt-Pfister (ed.), International Anti-Corruption Regimes in Europe, Nomos (foreseen for 2010)

### WORKING PAPER SERIES

Working Paper No 05:  
Poverty and Corruption – About Poorer and Richer Ways of Life, by Lucy Koechlin.

Working Paper No 06:  
Managing Proceeds of Asset Recovery – The Case of Nigeria, Peru, the Philippines and Kazakhstan by Ignasio Malizani Jimu.

Working Paper No 07:  
The Political Economy of Asset Recovery by Ivan Pavletic, with a preface of Anne Lugon-Moulin.

### OCCASIONAL PAPERS

Mark Pieth/Radha Ivory, Do Honest Corporations Stand a Chance?, in Forbes Special Report: Corruption, January 2009.

Anne Lugon-Moulin, How does Corruption Translate in Social Sectors? F3 Freedom from Fear, UNICRI and Max Planck Institute Magazine, July 2009.

Kristel Poh/Daniel Thelesklaf, Counter the Financing of Terrorism, F3 Freedom from Fear, UNICRI and Max Planck Institute Magazine, November 2009.

Gretta Fenner, Financial Institutions and the Private Sector, in: Transparency International, Global Corruption Report 2009 – Corruption and the Private Sector, ISBN 978-0-521-13240-4. PDF download available on [www.transparency.org/publications/gcr](http://www.transparency.org/publications/gcr).



## Conferences organised by the Basel Institute on Governance

The Institute held two international conferences in Switzerland in 2009:

### **Conference: "Governance of Cultural Property: Preservation and Recovery" (29-30 September 2009), Basel, Switzerland.**

Academics and practitioners covered interconnected topics ranging from the roles and responsibilities of museums, cultural property protection in conflict situations, the grey areas of the art business and the thin line between legality and misdemeanor, outright theft and money-laundering in the cultural assets trade, (inter)national legal means and voluntary initiatives aiming at the prevention of such unlawful acts and, finally, mechanisms of recovering stolen artifacts and the negotiations surrounding their potential repatriation. The conference was attended by 126 participants, including 30 speakers from Europe, Africa and America, representing the UNESCO, ICOM, INTERPOL, the Swiss Federal Department for Culture (BAK), museums, art business, the law enforcement and academia. The Conference received funding and logistical support from the BAK, the Freie Akademische Gesellschaft, the Swiss National Science Foundation (SNF), Bank Baumann, UBS, Basler Versicherung, Herrick.





**International Seminar: “Countering the Financing of Terrorism (Giessbach III)”  
(15-17 December 2009), in Lucerne, Switzerland**

In 2007, the so-called Giessbach process was started when over 100 experts from 33 countries met in Giessbach, Switzerland, to discuss challenges in counter-terrorist financing. In its third year, the process continued with Giessbach III which specifically addressed the challenges that regulatory/supervisory institutions and the financial sector face in countering the financing of terrorism. The Conference involved speakers and workshop moderators from the International Monetary Fund (IMF), the Organization for Security and Cooperation in Europe (OSCE), the European Bank for Reconstruction (EBRD), the United Nations, the Financial Intelligence Units (FIUs) of Belgium, Israel, Liechtenstein and the Philippines, as well as from law enforcement agencies, academia, NGOs and the private sector. The seminar was attended by 153 representatives from Asia, Africa, the Middle East, Europe and America, including regulators, supervisors and members of law enforcement agencies, FIUs and financial institutions. This international seminar received support from the Swiss Federal Department of Foreign Affairs, EBRD, Council of Europe, IMF, OSCE, Cellent Finance Solutions, Dowjones, World Check and TVT Compliance AG.

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At the United Nations Conference of States Parties (CoSP) for the UNCAC in Doha, Qatar, in November 2009, the Basel Institute on Governance organised a panel side event on the topic of “Challenges in making asset recovery effective”. This panel, chaired by the Basel Institute on Governance, was well attended by more than 50 conference participants who showed a keen interest in the issues at stake. The Institute participated in two more panel events at the CoSP, jointly with the World Bank/UNODC (Stolen Asset Recovery Initiative), addressing various key issues concerning asset recovery in the global fight against corruption, and in one panel at the Global Forum VI on anti-corruption and asset recovery.

In April 2009, the Institute supported Nadel of the ETH in Zürich in organising and moderating a Forum on “What do we know about the results of fighting corruption in developing countries and development cooperation.” An expert of the Institute presented a paper on the issue of “Corruption perception and facts: new insights.” The Forum took place in Zürich, Switzerland.

## International relations

### Public appearances

Staff of the Institute gave speeches and presentations on the following occasions throughout 2009:

#### From the GOV division:

January 2009: Presentation on "Business ethics and corporate anti-corruption programmes" at Swissholding, Bern, Switzerland

7-8 April 2009: Moderation of various workshops during the bi-annual WEF PACI Spring meeting, Chicago, USA

24 April 2009: Presentation of a paper on "Corruption perception and facts: new insights," and moderation of a panel discussion at the NADEL Forum on "What do we know about the results of fighting corruption in developing countries and development cooperation?", co-organised with the Institute, Zürich, Switzerland

24 July 2009: Participation at a Conference on "Mismatches between corruption perception, facts and anti-corruption measures" at the University of Konstanz, Germany.

28 September 2009: Moderation of a panel discussion on "Self regulation and voluntary codes" at the Institute's Conference on Governance of Cultural Properties: Preservation and Recovery, Basel, Switzerland

1 October 2009: Presentation on "Challenges in anti-corruption compliance" at the World Law Group Annual Meeting, Zürich, Switzerland

4-5 November 2009: Moderation of various workshops during the bi-annual WEF PACI Fall meeting in Doha, Qatar

7 November 2009: Participation at the Anti-Corruption Global Forum VI, "How the private sector can trigger asset recovery and anti-corruption processes," Doha, Qatar

10 November 2009: Presentation on "Fostering public-private partnerships in the fight against corruption" during a panel session at the UNCAC Conference of States Parties, Doha, Qatar

11 November 2009: Moderation of a panel discussion on "Challenges in making asset recovery effective" organised by the Institute during the UNCAC Conference of States Parties, Doha, Qatar, 2009

17 November 2009: Presentation on "Défis en matière de compliance anti-corruption" at SGS, Geneva, Switzerland

#### From the AML/CTF division:

19 January 2009: Presentation on money laundering risks in Eastern Europe and CIS countries at the University of Lucerne, Lucerne, Switzerland

21 January 2009: Presentation on areas of increased risks, Zürich, Switzerland

10 March 2009: Presentation on cyberlaundering at the International Cybercrime Conference for the Council of Europe, Strasbourg, France

2 July 2009: Presentation on money laundering risks in Eastern Europe and CIS countries for Bank Pasche, Vaduz, Liechtenstein

10 September 2009: Presentation on terrorist financing, Potsdam, Germany

11 September 2009: Presentation on the abuse of NGOs in terrorist financing at an OSCE Workshop, Vienna, Austria

15 September 2009: Presentation for a delegation of the Financial Intelligence Unit of Russia (Rosfinmonitoring), Basel, Switzerland

6 November 2009: Presentation on money laundering risks in Eastern Europe and CIS countries for the Postfinance, Lucerne, Switzerland

**From the ICAR division:**

13 January 2009: Presentation on asset recovery for the management of the Swiss Financial Intelligence Unit, Basel, Switzerland

19-20 February 2009: Presentation on "Advancing international understanding and cooperation in combating fraud and corruption: recovering stolen assets – a new issue?" at the ERA Conference, Annual Forum on Combating Corruption and Fraud in the EU 2009, Trier, Germany

11-12 March 2009: Presentation on "International asset recovery: the challenges" at the International Association of Prosecutors Ninth European Regional Conference 2009 on the topic of "Following the money", The Hague, Netherlands

14-15 April 2009: Presentation on "Planning and conducting investigations" at the UNODC Capacity Building Workshop on Collecting Evidence and Investigating Corruption – Anti-Corruption Commission, Amman, Jordan

16 April 2009: Presentation on asset recovery for the prosecutor of the International Criminal Court, Basel, Switzerland

28 April 2009: Presentation on asset recovery at the University of Western Cape, Cape Town, South Africa

28 May 2009: Presentation on asset recovery for the Egmont Group Plenary, Doha, Qatar

9 June 2009: Presentation on asset recovery for a delegation from the Parliament of Indonesia, Basel, Switzerland

13 July 2009: Participation in a StAR planning meeting, Washington DC, USA

10 August 2009: Presentation on asset recovery for the Rotary Club, Jona, Switzerland

27 August 2009: Presentation on "Overcoming barriers in asset recovery in financial centres: a Brazilian perspective", at a StaR organised workshop on "Overcoming barriers to asset recovery in financial centres", Casablanca, Morocco

16-18 September 2009: Presentation on "Asset recovery in the context of corruption" at the Task Force on Financial Integrity and Economic Development Annual Conference, Washington DC, USA

1 October 2009: Presentation on asset recovery for the Wolfsberg Group, London, UK

1-2 October 2009: Presentation on "Piracy and relevance of asset recovery" at the Chatham House Conference on "Piracy and Legal Issues: Reconciling Public and Private Interests," London, UK

21 October 2009: Presentation on asset recovery at the Interpol Workshop on Kleptocracts, Lyon, France

26 November 2009: Presentation on "Recovering the proceeds of international corruption and fraud – a new perspective" at the International Institute on European Affairs, Dublin, Ireland

28 November 2009: Presentation on asset recovery at the University of Applied Sciences, Olten, Switzerland

1 December 2009: Presentation on asset recovery at the Inter-Agency Working Group on Corruption in Bern, Switzerland

2-3 December 2009: Presentation on the "Illicit financial flows, corruption and the abuse of fundamental human rights: oil, corruption and human rights – a Nigerian Perspective" at Yale University's Global Financial Integrity Workshop on Illicit Financial Flows, Corruption and Human Rights, New Haven, USA

9 December 2009 (Anti-Corruption Day): Presentation on asset recovery at the University of Bern, Switzerland



## Partnerships – Networks

The Basel Institute on Governance is a member, partner or regular guest of various international fora, including:

- UNODC open-ended Intergovernmental Working Group on Asset Recovery
- UNODC open-ended Intergovernmental Working Group on Technical Assistance
- The NORAD Hunters Network
- The OECD DAC Govnet
- The World Economic Forum (WEF) Partnering Against Corruption Initiative (PACI)
- The Wolfsberg Group
- The Egmont Group (the Egmont Group is the Association of Financial Intelligence Units with over 100 members from all over the world)

The Institute has signed a Memorandum of Understanding with the United Nations Organisation on Drugs and Crime (2007) as well as with the United Nations Interregional Crime and Justice Research Institute (2008). In 2009, the Institute signed an Executive Agreement with Interpol whereby both organisations agree to support each other in the development and implementation of asset recovery programmes, when and where requested by one or the other party.

The Institute's experts were nominated peer experts for a number of StAR publications that were disseminated at the UNCAC Conference of State Parties in Doha, Qatar, in November 2009. The ICAR also participated in the StAR experts groups for the development of the Study on Global Architecture for Asset Recovery and on the Asset Recovery Handbook (work in progress).



At the sixty-fourth session of the General Assembly, the Second Committee, “takes note with appreciation of the Stolen Asset Recovery Initiative of the United Nations Office on Drugs and Crime and the World Bank, takes note of its cooperation with relevant partners, including the International Centre for Asset Recovery, and encourages coordination among existing initiatives.” (Agenda item 55 b).

## Media

On several occasions, the Institute conducted interviews with TV channels and was mentioned in the media:



### General

“Illegalen Waffenhandel: Bankschalter weiter geöffnet”, Swissinfo, 9 August 2009

“Vetternwirtschaft wird unterschätzt”, Basler Zeitung, 9 December 2009

### On the Mobutu case

“Mobutus Erben können sich freuen”, Basler Zeitung, 22 April 2009

“Weiteres Ringen um die Mobutu-Gelder, NZZ online 27 April 2009

### On Giessbach III – Countering Terrorist Financing Conference

“Schweizer Banken helfen aktiv mit”, Neue Luzerner Zeitung, 16 December 2009

“Viel Arbeit für Banken bei der Terrorbekämpfung”, Basler Zeitung, 19 December 2009

“Further anti-terrorism legislation likely to be burdensome, says UN official”, *www.complinet.com*, 17 December 2009

“Avoidance strategies needed for successful CTF, says AML chief”, *www.complinet.com*, 21 December 2009

“UK needs more effective anti-terror typologies, says Met”, *www.complinet.com*, 29 December 2009

### Television and Radio

Anne Lugon-Moulin was interviewed by SVT, the national Swedish TV channel, in February 2009 on asset recovery in general and the role of the ICAR in particular.

### Governance of Cultural Property Conference

Interview with Alexander Brust, Speaker / Curator of the Museum der Kulturen Basel, “Über den Umgang mit gestohlenen Kulturgütern”, DRS 1 and 4 on 29 September 2009 (Mp3 download available on *www.drs4news.ch*)

Interview with Andrea Raschèr (Lawyer), Claudia von Selle (Lawyer) and Benno Widmer (Head International Transfer of Cultural Property, Swiss Federal Office for Culture): ‘Experten diskutieren in Basel über Raubkunst’, DRS 1 and 4, 30 September 2009 (Mp3 download available on *http://www.drs4news.ch*)

### Newsletters

UNODC AML/CTF Newsletter for Central Asia, Issue 41 – September-October 2009 with reference to Giessbach III and the Basel Institute on Governance Projects in Kyrgyzstan

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## **Fundraising**

The ICAR continued to receive funding support from major bilateral and multilateral donors to carry out its asset recovery mandate in developing countries and emerging markets. This group of donors include: The World Bank and UNODC (through the Stolen Asset Recovery Initiative, StAR), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the UN Office on Drugs and Crime (UNODC), the United Nations Development Programme (UNDP), the Council of Europe, as well as the Organisation for Economic Cooperation and Development (OECD). While the Swiss Agency for Development and Cooperation (SDC), the Principality of Liechtenstein and the Department for International Development (DFID) of the United Kingdom remain core funders of the ICAR, the Institute continued, in 2009, to seek new bilateral contacts for mobilising additional core funding for both the ICAR and the GOV divisions.

In 2009, the Principality of Liechtenstein also provided some core funding for the GOV division. The GOV branch otherwise continued in 2009 to benefit primarily from project-specific funds which were mobilised and used for the organisation of conferences and the implementation of consultancy mandates. The GOV division's main project funders include the GTZ, the Council of Europe, Transparency International, the European Bank for Reconstruction and Development (EBRD), the World Bank Institute and the International Monetary Fund. In addition, private partners have on occasion also provided some financial support to the Institute, in particular for organising and promoting international conferences.

In December 2009, the Institute held its annual Core Donors Meeting in Basel, Switzerland, for the purpose of providing its core donors with a comprehensive update on the activities and outputs of the ICAR in 2009.

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