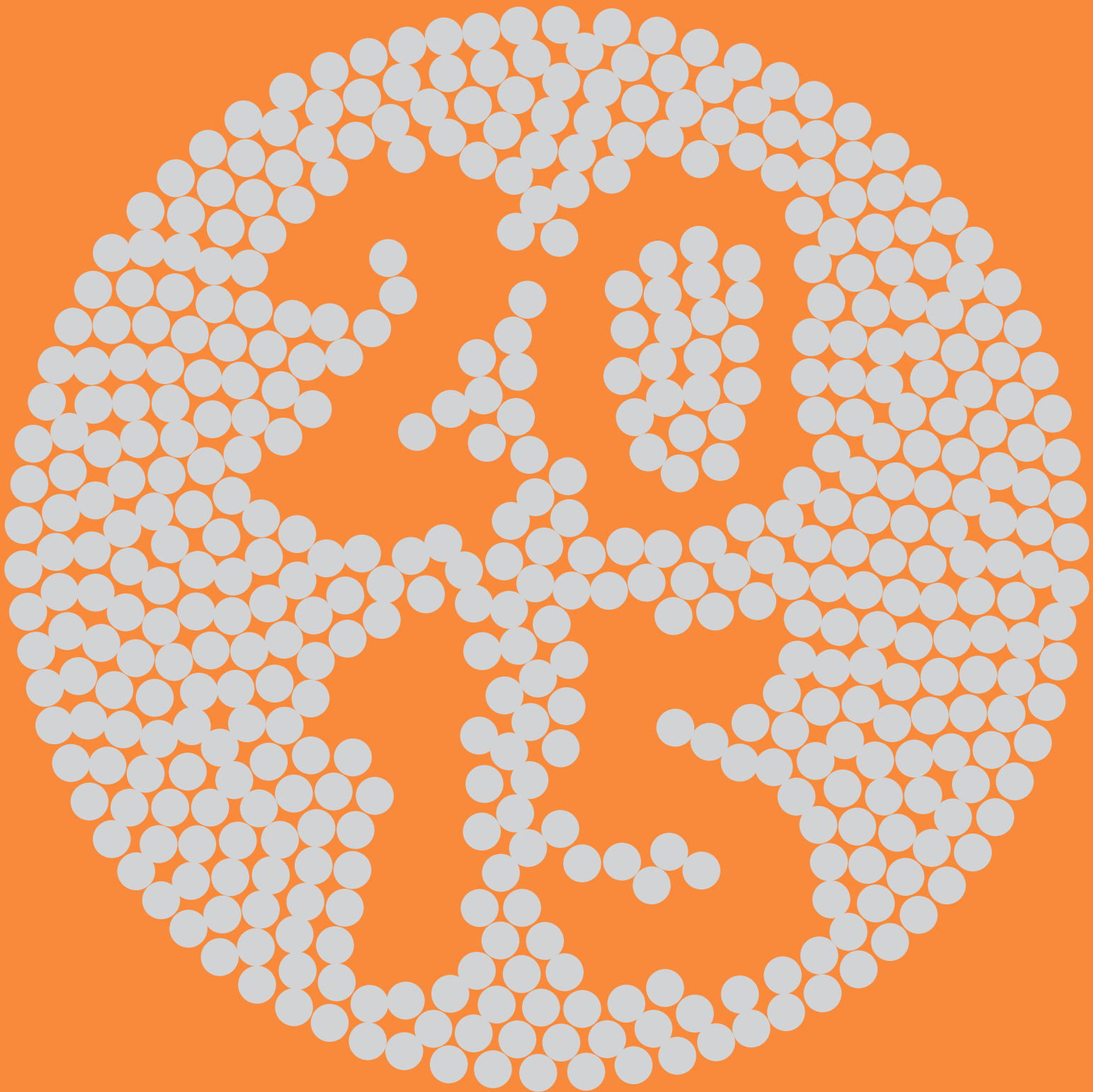


Annual Report 2015



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Foreword

2015 has been a year with many changes for our Institute. For one, we have grown very rapidly, more than doubling our staff numbers and increasing our annual operating budget by around 60%. Second, we have considerably revised our operational strategy and further expanded our thematic reach. The changes are reflective of global developments and our own institutional learning, after more than 12 years of attempting to contribute to global efforts to reduce corruption and enhance governance.

The asset recovery team has started branching out into related enforcement areas, and has diversified the types of institutions we partner with. The nascent collaboration with the International Criminal Court is a good example. This and similar new partnerships are founded in the conviction, and indeed experience, that tools used to recover assets stolen through corruption can be used just as effectively against any other crimes that leave a financial trace. Although the “follow the money approach”, to our dismay, continues to be a sometimes strangely under-used concept even in anti-corruption, we are convinced that if we apply this broader scope to our assistance programmes, we will succeed in contributing to a real paradigm shift that has an impact beyond anti-corruption law enforcement in the broader areas of rule of law and development.

Another operational development is the investment of substantial resources into setting up permanent in-country presences. This change in operational strategy is founded in the recognition that trust, perseverance and an in-depth understanding of context are three essential prerequisites for tangible progress in any area of our work. This approach has received a big boost in September, when we opened the Institute’s first ever full-fledged foreign subsidiary – or “country office” as this is called in development circles – selecting Peru as our first port of call for a large-scale country based operation. At the end of 2015, we had 20 staff posted in the Peru office and across various country operations in Africa and Eastern Europe. That’s a big leap from one field staff in 2014.

The Peru office is also illustrative of another gradual shift in our operational strategy that has materialized significantly in 2015, namely a more “stubborn” insistence on multi-disciplinarity and on multi-stakeholder engagement. Through its focus on public financial management, the Peru office’s work emphasizes traditional corruption prevention work; this is mirrored by a programme component focused on corruption enforcement, so as to ensure that matters can be rectified when prevention has failed. True to the Institute’s spirit and vision, we add to this equation our very important partners from civil society and the private sector, to ensure that accountability is more than a word, and that those concerned by corruption can contribute effectively and meaningfully to fighting corruption.

This partnership between private sector and governments continues to preoccupy us not only in Peru but globally, as we see that despite many years of talking about the need for collaboration, these two sectors perceive themselves more often than not to be at opposing ends. We continue to try creating these necessary bridges. For this, we can build on our engagement in both sectors, as we work not only with governments, but are closely engaged with companies of various sizes to help them design and implement anti-corruption compliance programmes, conduct due diligence analysis or build private sector alliances against corruption.

We concluded this year by proudly winning two major research grants that fall squarely within our Institute’s vision that, as noted above, consideration for context is a critical factor for any successful anti-corruption intervention. With these British Academy and East Africa Research Fund (EARF) funded programmes, we will be able to pursue this vision further and look at some of the underlying factors of corruption more deeply, with the ultimate objective of better informing our and others’ anti-corruption efforts. We hope this will be of use to all our partners and fellow anti-corruption activists.

We know very well that closing these multiple bridges is not an easy task, and indeed believing in being able to do so may sometimes appear naïve; but we see results, and we see small but real change. So we will continue to pursue this goal, while constantly and critically reviewing our approach and remaining open-minded and flexible to adjust our way of doing things when and if it becomes necessary.

We are proud of and grateful to our colleagues, both in Basel and abroad, who have dealt with these significant changes with exceptional professionalism, calm, and seemingly never ending enthusiasm and passion for our mission to fight corruption and improve governance. Thank you!

PROF MARK PIETH
PRESIDENT OF THE
BASEL INSTITUTE ON GOVERNANCE

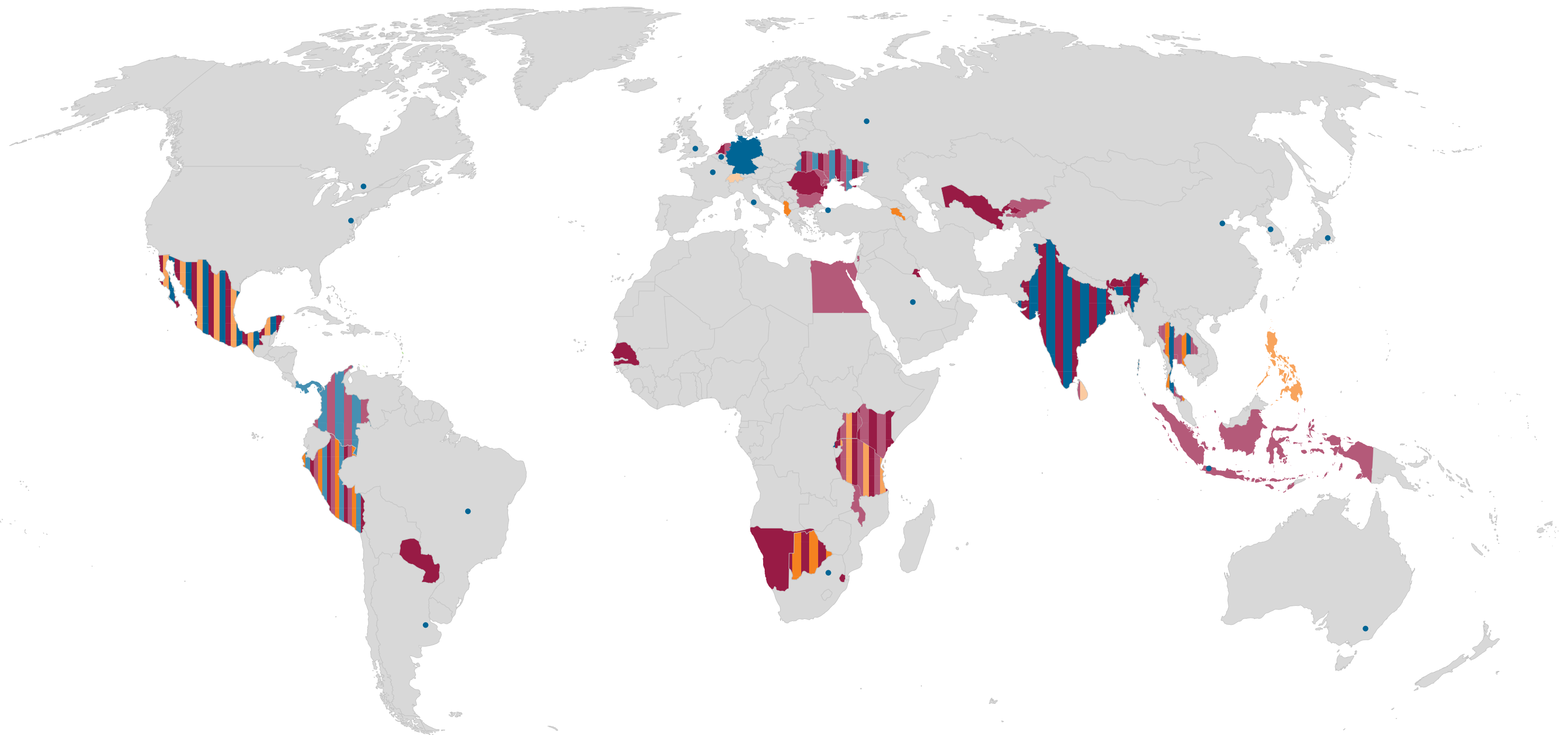


GRETTA FENNER
MANAGING DIRECTOR
BASEL INSTITUTE ON GOVERNANCE





Where we worked in 2015



International Centre for Asset Recovery

- Trainings
- Technical assistance

Public Governance

- Training & technical assistance
- Research

Corporate Governance

- Technical advice

International Centre for Collective Action

- Initiatives
- High level reporting mechanisms

Working with the public sector

International Centre for Asset Recovery

A question that we are often asked is what our end game is in this almost impossible, or at best very tedious quest to recover stolen assets. The answer to that is as complicated and multifaceted as asset recovery itself.

At first sight, it seems obvious: recovering stolen assets can make up for the damage that corruption has done, either directly or indirectly, to the victims of corruption, which typically are the people of the country from where the money was stolen. But when we look at the little money that is recovered and eventually returned each year, the costs seem to outweigh the benefits. What good, for example, can the recovery supported by ICAR of GBP 3.6 million from Jersey to Kenya really do to an economy with a GDP of almost GBP 54 billion, and this before deducting the resources that have been invested in the recovery in Jersey, in Kenya and here at ICAR? Not much, one would say, and that is true if we stick to a narrow interpretation of the end game of asset recovery.

Yet, almost ten years into our existence, we know that the end game does not end there, or rather starts earlier and is much larger. Along the way of seeking to recover stolen assets, our efforts and resources are invested into strengthening the capacity of law enforcement to investigate and prosecute corruption. We succeed in connecting jurisdictions and establish patterns and procedures for better regional and international cooperation. Through this,

we have a lasting impact on strengthening the rule of law in our partner countries, which in turn is an essential feature for furthering development and strengthening political stability.

And it does not stop there. When we succeed in recovering stolen assets, as small an amount it may be, and when therefore those who have stolen not only go to prison but also have to pay back the stolen assets, it can give the people of the concerned country a sense of justice. Seen from that perspective, recovering stolen assets is in many countries also closely linked to a transitional justice and “dealing with the past” discourse. Finally, recovering stolen assets can serve as a preventative measure in the fight against corruption, as when law enforcement is effective, the risks of engaging in corruption become too high. Seeing how corruption affects almost every aspect of the Sustainable Development Goals (SDGs), despite only occupying one line in the SDGs, that would seem worth it all by itself.

That however makes a difficult message to put into a monitoring and evaluation framework; and this indeed is increasingly one of our main challenges as countries are cutting aid budgets while having ever growing expectations for measurable and tangible outputs of development assistance. We will keep you posted if we find the magic solution.



Participants of the training workshop on financial investigation and asset recovery in Tashkent, Uzbekistan, September 2015



ICAR Head of Training, Phyllis Atkinson, and Senior Asset Recovery Consultant, Tom Lasich, with representatives of the Kuwait Anti-Corruption Authority (KANCOR), May 2015

2015 AT A GLANCE

Training

- Four national signature training programmes in financial investigation and asset recovery: Bhutan, Kuwait (including specialised modules), Ukraine and Uzbekistan
- One institutional training programme in international cooperation and financial investigation for the International Criminal Court (ICC) in The Hague
- Two national training workshops in financial investigation and asset recovery (“Follow the money”) in Romania, in cooperation with two local non-profit organisations, the Journalism Development Network (JDN) and the RISE Project, in the context of the three-year initiative on “Mapping and Visualising Cross-Border Crime” funded by the Swiss-Romanian Cooperation Programme
- Co-hosting and delivery of training workshops on asset recovery or related topics with UNODC and the Asset Recovery Inter-Agency Network of Southern Africa (ARINSA) in Uganda, Swaziland, Botswana, Tanzania, Namibia and Mexico, as well as with Interpol in Botswana and Senegal
- Trained/co-trained more than 400 investigators, prosecutors and other relevant professionals in financial investigation and asset recovery
- Lectures on issues of corruption, asset recovery and mutual legal assistance for the LL.M in International Crime and Justice Programme of UNICRI at the University of Turin, as well as the LL.M programme at the University of the Western Cape, South Africa
- Participation in several workshops on virtual currencies and money laundering organised by partner organisations, including Interpol and the Academy of European Law (ERA)
- Scoping missions in India, Paraguay, Peru and Tanzania in preparation for country-specific training programmes in 2016
- Development of two new specialised training modules: on interviewing techniques for financial investigators and the use of virtual currency (bitcoin) to launder proceeds of crime

E-learning and IT tools

- Development of e-learning course on the topic of “Operational Analysis (for financial investigations)” initiated in the context of ICAR’s partnership with the Egmont Group of Financial Intelligence Units (FIUs); presentation of pilot version at the Egmont Plenary Meeting in Barbados
- Development and launch of interactive and multifaceted online resource and information hub dedicated to the topic of asset recovery, the Asset Recovery Forum (forum.assetrecovery.org), featuring among others the “Find a Practitioner” tool
- Release of 4th edition of the Basel Anti-Money Laundering Index with new web-interface and adjusted methodology; by the end of 2015 113 subscribers (fee-based Expert Edition) from both the private and public sectors

Casework and technical assistance

- Support to 11 partner countries in East Africa, South America, the Middle East, Central and South East Asia and Eastern Europe, providing technical and strategic advice and input on a total of 78 cases, representing a total value of USD 1.3 billion in suspected or frozen assets
- Increase in number of long-term in-country placements of ICAR experts embedded with relevant local authorities in partner countries in Africa and in Eastern Europe
- Legal and technical advisory assistance to partner countries in Eastern Europe and the Middle East in the development, review, analysis and enhancement of asset recovery, anti-corruption and AML/CTF legislation and related institutional reforms (Palestine, Ukraine, Bulgaria, Moldova)

Global policy

- Launch of “The Guide to the Role of Civil Society in Asset Recovery” as a public resource (cso.assetrecovery.org)
- Active engagement on the topic of developing efficient practices in asset recovery through participation in the Swiss FDFA-led Lausanne process, UNODC’s Working Group on Asset Recovery and in the context of the COSP-UNCAC
- Development of preliminary commentaries and step-by-step guide on each of the practical guidelines on the efficient return of stolen assets together with the Stolen Asset Recovery Initiative of the World Bank and UNODC (StAR) in the context of Lausanne IX

TECHNICAL ASSISTANCE

Reducing corruption to enable economic development in Uganda

In the context of the Institute’s cross-divisional project “Strengthening Uganda’s Anti-Corruption and Accountability Regime Anti-Corruption Chain” programme (SUGAR-ACC) funded by DFID and implemented in collaboration with Adam Smith International, FIU specialists from ICAR are providing technical assistance to Uganda’s Financial Intelligence Authority (FIA):

For a developing country, sustainable economic and financial growth depends heavily on foreign direct investment. As a result, increasing foreign direct investment is treated as a priority by many governments, including Uganda, where the government is set on transforming Ugandan society from an agrarian one “to a modern and prosperous country within 30 years”.¹ In turn, a country’s attractiveness for foreign investment is determined, inter alia, by the availability of suitable infrastructure, the stability and international integration of the domestic financial market, and by the quality of the rule of law.

In the case of Uganda, all these factors are heavily undermined by high levels of financial crime. Corruption and money laundering, which are the most commonly known forms of financial crime, are at particularly high levels. The country ranks 139 out of 168 in Transparency International’s Corruption Perception Index 2015, and the Basel AML Index 2015 lists it as the 8th most at-risk country worldwide when it comes to money laundering risks. The impact of this bad performance on domestic and foreign investment has been recognised by the Government of Uganda.²

There are a number of steps that can contribute to reducing corruption, including making it harder for criminals to transfer and launder their money abroad. The performance of a country in addressing and mitigating those illegal

1 Second National Development Plan, 2015/2016 – 2019/2020.

2 http://www.hiiraan.com/news4/2015/Dec/102843/uganda_faces_intolerably_high_levels_of_corruption_experts.aspx.

activities is assessed by international organisations like the Financial Action Task Force and its regional bodies, and by international cooperation networks, such as the Egmont Group of Financial Intelligence Units. The assessments of those organisations and a country's ranking in the above cited indices weigh heavily in the perception of the country by foreign investors, international credit rating agencies and lenders. Positive assessments lead to an increase of the country's attractiveness for foreign investment, lower levels of interest for borrowers (including individuals and small businesses) and increased integration in the international financial system.

Uganda has been repeatedly assessed by the Financial Action Task Force (FATF) as having substantial deficiencies in its anti-money laundering and countering the financing of terrorism framework, and, in 2015, it was at risk of worsening its position and being included in the list of countries for which a call to adopt counter measures is required.

The SUGAR Technical Advisory Facility, a five-year DFID-funded intervention aimed at increasing the risks for engaging in corruption in the public sector in Uganda, has been working with the Ugandan Authorities to prioritise and address these deficiencies since May 2015. Its support in the area of money laundering is primarily channelled through the Ugandan Financial Intelligence Authority, which plays a key role in detecting and analysing money laundering risks. In the first nine months of the project, the focus of assistance was on the following key areas:

- Ensure that Ugandan laws and institutional set-ups meet international standards against money laundering and terrorism financing
- Initiate the process of commissioning the World Bank to assist during the process of conducting a comprehensive national risk assessment regarding money laundering and terrorism financing
- Raise awareness of the importance of money laundering and counter terrorism financing issues within the Government of Uganda
- Support the application of the Ugandan FIA for membership in the Egmont Group, the world's leading international forum for Financial Intelligence Units to cooperate in the fight against money laundering and terrorism financing

This technical assistance has already played a substantial role in preventing the country from worsening its position within the international financial system. Its application to the Egmont Group is well underway, and the country received a positive reaction to its efforts in addressing the deficiencies during the FATF Plenary session in February 2016, avoiding detrimental consequences. As we recall the widely documented negative impact of corruption and money laundering on foreign investment, it can be concluded that within a very short period of time, the programme has made a significant contribution to maintaining a threshold level of integrity that does not inhibit foreign direct investment.

Division for Public Governance

The lack of effectiveness of conventional governance and anti-corruption interventions is a topic of animated debate among academics and practitioners alike. In particular, increased attention was attracted by the persistence across many countries of a so-called implementation gap, whereby countries that have adopted the legal and organisational reforms associated with anti-corruption best practices continue to experience very high levels of corruption. As a consequence of this, a topic of significant focus during 2015 was the need to develop alternative ways to conceptualise corruption and anti-corruption in order to overcome the observed shortcomings of conventional approaches.

Many scholars agree that the persistence of an implementation gap in countries where corruption is widespread can be linked to a lack of empirical support for the principal-agent assumptions presuming the existence of “principled principals” capable of holding officials accountable and willing to enforce anti-corruption reforms. In response, a prominent school of thought has sought to re-frame the problem of endemic corruption as a collective action problem. A problem so far with this latter approach is that, while it can describe why corruption appears extremely hard to eradicate in some contexts, it has failed to deliver clear insights on how anti-corruption may be pursued to optimise impact given the acknowledged constraints.

As an alternative approach, the Public Governance Division at the Institute has been explicitly incorporating the analysis of informal norms and practices in its research and technical assistance projects. We strongly believe that bringing in the dimension of informality is an essential step towards overcoming the limitations of the principal-agent and collective action approaches, and offers better chances of delivering insights that are useful for policy-making purposes. On the basis of the experiences accumulated, applying this focus on impact of informality on the effectiveness of anti-corruption efforts, we continued in 2015 to refine our ideas and to consolidate collaborative relations with like-minded scholars. The potential of this approach was recognised towards the end of 2015 with the news that we have been awarded two major research grants that enable

us to continue to delve into the impact of informality in contexts of endemic corruption in 2016 and beyond.

The first project, titled “Informal Governance and Corruption – Transcending the Principal Agent and Collective Action Paradigms”, is one of eight research projects funded by the British Academy – DFID Anti-Corruption Evidence (ACE) Programme. While the Institute is the lead implementing institution, also involved as co-investigators are Professor Alena Ledeneva of University College London and Dr Scott Newton of SOAS. In this 24-month project, we adopt a bottom-up perspective to shed light on prevailing informal practices indicative of the incentives of stakeholders in the political, economic and social realms as opposed to the top-down prescriptions emphasising reforms to formal institutions that are typically associated with conventional anti-corruption efforts.

The second project, titled “Corruption, Social Norms and Values in East Africa”, is funded by DFID’s East Africa Research Fund (EARF). In this 18-month project, the goal is to gain a better understanding of how endemic corruption “works” from the perspective of the affected populations themselves. What are the meanings, unspoken understandings and normative evaluations that are implicit in everyday interactions between citizens and public officials, especially when these involve acts such as bribing and gift-giving? With this as a backdrop, the main objective of this research project is to rigorously review the available evidence about the influences on petty corruption behaviours and behavioural interventions to address petty corruption, with a focus on East Africa.

2015 AT A GLANCE

Research and publications

- Analytical and comparative study on health systems accountability in collaboration with, and funding support from the WHO regional office for Europe
- Publication on social accountability - case study of the Philippines commissioned by Integrity Action and the UNDP Global Anti-Corruption Initiative
- Compilation of a comprehensive political economy analysis/study on corruption in Tanzania to provide ICAR with country-specific information for improved planning and strategising in case work-related operations in Tanzania
- Compilation of an analytical study on “Typologies of Corruption in the Judiciary” in collaboration with the International Bar Association (published in 2016)
- Preparation of two book chapters on the ethnographic study of corruption in Tanzania and Mexico and one comparative article co-authored with Professor Ledeneva (UCL) on informal governance regimes in the context of the Institute’s five-year multi-centre research engagement ANTICORRP (publications forthcoming in 2016)
- Preparation of two practitioner’s handbooks on the topics of social accountability and participatory monitoring commissioned by Transparency International Armenia.
- Training workshop on quantitative and qualitative research methods on corruption to the Botswana Directorate on Corruption and Economic Crime
- Assessment study on anti-corruption initiatives in the Albanian health sector and provision of recommendations in the context of a technical assistance programme implemented and funded by the Swiss Tropical and Public Health Institute
- Training workshop to the Office of the Ombudsman of Rwanda (OO-Rwanda) on quantitative and qualitative research methods on corruption
- Support to the OO-Rwanda in conducting a “power and influence analysis” of the Rwanda procurement sector
- Support to the SUGAR project in carrying out a “power and influence analysis” of the Ugandan anti-corruption system

Teaching

- Co-teaching course “Sustainability and Health Governance” as part of the Masters Programme on Life Sciences of the University of Basel’s Law Faculty
- Co-teaching seminar “Contradictions and Sustainability of Governance” at the University of Basel’s Department of Sociology
- Workshop on “Quantitative And Qualitative Research Methods on Corruption” at the University of Basel for anti-corruption academics and practitioners from around the world

Technical assistance

- Capacity building training workshops on social accountability and “power and influence analysis” in the context of Transparency International’s Project titled “Engaged Citizenry for Responsible Governance (Armenia)”, funded by USAID

COLLABORATION WITH LOCAL RESEARCHERS

Views from the field

Applied academic research is a cornerstone of the Basel Institute's portfolio, as we strongly believe that sound empirical findings should guide our practical work in order for the latter to be effective and respond to the evolving governance landscape. Our Head of Public Governance (Research) Division, Dr Claudia Baez Camargo, and her team at the Basel Institute are continuously consolidating their collaborative relations with like-minded scholars with a view to developing a new generation of anti-corruption approaches. Besides collaborations with scholars from partner institutions such as the University College of London (UCL) or the School of Oriental and African Studies (SOAS) of the University of London, many of our research projects also embrace partnerships with researchers and their institutions on the ground in the countries where case studies are being carried out. These are scholars and specialists with intimate knowledge of the local conditions including the social and cultural contexts in which our research takes place, and we could not do without them. Dr Claudia Baez Camargo has met three of them on the occasion of a recent work visit to Uganda, and they provided their views on the current research collaborations with the Basel Institute.

Richard Faustine Sambaiga, Lecturer in Sociology and Social Anthropology at the University of Dar es Salaam and advocate for anti-corruption in Tanzania

Richard Sambaiga has been working with the Basel Institute on a number of research projects and topics in the past 5 years. He currently collaborates with our team as local (lead) researcher in Tanzania on both new research projects (British Academy/EARF) on the impact of informality on the effectiveness of anti-corruption efforts. He spoke to Claudia about what the added value of focusing on informality is and what it brings to the anti-corruption debate.

Indeed, there is quite a fundamental potential to not just contribute to the theoretical and discursive part of the anti-corruption field, but also to inform the practice on the ground, including policy initiatives and strategies. This is mainly because in a way we are trying to uncover and tease out the overlooked sides in the reality of corruption and anti-corruption initiatives in our specific contexts. What does that mean?

It means that it is one thing to have policies and strategies and laws geared towards anti-corruption. According to our experience so far, some of our countries have very strict laws and regulations, but still corruption is rampant. So, the contribution that our studies are likely to make is basically in terms of trying to question the traditional and conventional way of addressing and looking at corruption within the formal setting. The idea here is also informed by the realities in the every-day life in the countries that we are studying. In Tanzania, for example, it is somehow almost impossible to clearly separate the formal from the informal. These two spheres are highly intermeshed, interwoven [...]. Sometimes it is taken for granted that informalities play out in the formal, and the other way round. And so, we cannot ignore and overlook these dynamics and continue with business as usual. What does that mean in terms of the practice, of anti-corruption interventions?

It means rethinking and reflecting critically on the effectiveness and efficiency of the usual, the traditional anti-corruption measures. Perhaps it is time to consider and take on board some lessons from the positive side of informality while at the same time learn how to curb and control the negative dimensions of informality. Because it is not always that informalities have negative impacts.

Sometimes we need to also appreciate that in the context of the societies we look at, informalities exist because they perform or play a particular role; they have a function. Unless we understand what these functions are and how they matter to the people, we can hardly comprehend and adequately address the consequences of these informal connections and networks.

So I think there is no doubt that these kinds of studies and research projects have a lot to contribute, not just in the discussions and theorisation on anti-corruption and corruption at large, but also in terms of readjusting and rethinking the anti-corruption strategies in the region.

Elijah Osiro, Anti-Corruption Specialist on Uganda and Kenya

Elijah Osiro has been a key collaborator of the Basel Institute for research projects involving work in Uganda and Kenya. He currently covers both countries for the new British Academy funded bottom-up research on Informal Governance and Corruption. He shares his thoughts on the relevance of having an evidence-based approach to anti-corruption for Uganda, and reflects on what he feels distinguishes the Basel Institute's research and technical assistance methodologies.

Uganda's National Anti-Corruption Strategy (2014-2019) that outlines the Government's interventions to address corruption acknowledges that corruption is deeply embedded and deteriorating in Uganda. The Inspectorate of Government's 4th Annual Report on Tracking Corruption Trends in Uganda Using the Data Tracking Mechanism (2014) highlighted an increased number of new corruption complaints handled by the Inspectorate of Government, an increase of corruption cases reported to the Uganda Police Force, and the public perception that corruption was heavily entrenched in the Ugandan society. Ironically these findings were made against the backdrop of Uganda having an impressive legal, institutional and policy framework for anti-corruption. This is clearly indicated by the findings of the Global Integrity Report (2011), which awarded Uganda an excellent score of 98% for its anti-corruption legislation, but only 51% for implementation. The resulting "implementation gap" of 47% was among the highest in the world and means that Uganda suffers from serious challenges when it comes to the enforcement of anti-corruption legislation.

I find that the interventions proposed by the Basel Institute to reform anti-corruption approaches, control corruption and promote good governance are appropriate to address the pervasiveness of the implementation gap to the extent that they are informed by rigorous analysis and evidence and are based on the respective country's specific cultural, economic and political reality. Such interventions stand better chances of successful implementation. An example from Uganda illustrates this approach. In 2011, the Basel Institute conducted a study on corruption risks in Uganda's public drug supply chain in light of persistent governance challenges, which included drug stock-outs and other drug-related inefficiencies. This was undertaken using a "power and influence analysis" approach. The analysis involves assessing corruption vulnerabilities focusing on informal factors such as the de facto distribution of power and authority among key state actors. As part of the study, the Basel Institute mapped all institutions in the public sector drug supply chain. The study revealed that the institution mandated to procure and distribute public drugs was more powerful than the line ministry that exercised oversight functions and supervised the institution. The institution's Head also had personal contacts with the President. The findings underscored the need to prioritise engaging with powerful public institutions on anti-corruption initiatives to guarantee buy-in and enhance the likelihood of success.

Following the emphasis on informality, the new Informal Governance and Corruption Project will be relevant to Uganda as indeed to the other countries in East Africa. The findings are expected to inform the designing of future strategic policy or operational interventions geared towards strengthening efforts to control and fight corruption in Uganda. Through this alternative approach,

focusing on the role informal governance plays in perpetuating corruption and simultaneously undermining the fight against the vice, anti-corruption efforts are expected to register more effective and sustainable progress.

Professor Tharcisse Gatwa, Director of Research at the Protestant Institute of Arts and Social Sciences (PIASS), Rwanda

Tharcisse Gatwa is one of two staff of PIASS participating in the two new research projects focusing on informality, for which he is the local lead researcher in the context of Rwanda. He provides a portrait of his institution and gives thought to the mutual benefit of the collaboration between PIASS and the Basel Institute.

PIASS is an accredited Rwandan private university located in Butare-Huye, southern Province of Rwanda, and is owned by several Protestant Churches. PIASS fosters knowledge development with an interdisciplinary approach as well as innovative research projects; it trains and equips committed intellectuals, skilled and inquisitive personnel capable to provide reflections on and analyses of major issues for sustainable development. Research dissemination activities at PIASS include the organisation of an annual scientific week and regular public conferences on diverse topics facilitated by external scholars. Equally, PIASS organises joint teaching and research programmes with other universities.

PIASS is aware that, in Africa and Rwanda in particular, a lot of research is still needed and yet delayed because of the absence of competences, resources and strategies. Collaborations with external institutions can help fill that gap. One important area that needs attention is the training in the domain of anti-corruption and anti-corruption research. There is a need to develop research methodologies and tools; to prepare curricula for schools from primary to university level with a view to preventing and combating corruption. Offering academic programmes on a diploma or master level, or even short courses, on the topic of anti-corruption would be an extremely innovative development for universities in the East Africa region. For all the previously mentioned reasons, a formalised cooperation between PIASS and the Basel Institute can be mutually beneficial. Our collaboration has already begun with the participation of two PIASS staff in the two comparative research projects involving Rwanda that the Basel Institute is leading. However, we envision the benefits from an institutional partnership going beyond these particular research activities: PIASS' conferences and seminars could be used as tools to disseminate findings from joint research and publications. I could also imagine PIASS to host public conferences and seminars aiming at equipping the public and scholars in our region with crucial knowledge and competencies in the area of governance and anti-corruption.



Dr Claudia Baez Camargo, Head of Public Governance, together with research partners from East Africa

Working with the private sector

International Centre for Collective Action

The private sector's role in combating and preventing corruption continues to be essential and is widely recognised by government, civil society as well as companies themselves. The spread of corporate anti-corruption compliance programmes in recent years among market participants has been one clear response to the acknowledged responsibility of the private sector. Whilst this is a positive development, it is not enough in order to tackle corruption in particularly challenging markets and sectors. Private sector engagement in anti-corruption Collective Action has, therefore, yet to reach its full potential; it is still perceived as a new or emerging concept even though multi-stakeholder approaches to prevent corruption have been evolving over many years now. Understanding the constraints for the relatively slow take-up of Collective Action will help to reduce reluctance to engage with others in addressing systemic corruption. A better understanding and communication of the business case for Collective Action engagement may help to convince the private sector of its value. Government support and recognition of the benefits of Collective Action will also go a long way towards making Collective Action an essential tool to address corruption risks.

The Institute supports these private sector efforts by facilitating concerted and coherent strategies that are based on discourse and action.

In 2015, the Institute's International Centre for Collective Action (ICCA) was able to pursue this engagement thanks to receiving a new grant under the Siemens Integrity Initiative's Second Funding Round, which supports several new and continuing Collective Action initiatives and projects, including the work of the ICCA. Through this new three-year funding, the ICCA continues its mandate to support interested stakeholders in meeting their Collective Action goals. During the year this included, for example, the direct support and facilitation to an initiative in the aerospace and defence sector in addressing a key corruption risk area in the industry. The Institute's work on the High Level Reporting Mechanisms (HLRM) in collaboration with the Organization for Economic Cooperation and Development (OECD) continued, leading to the establishment of this anti-corruption tool in Panama

in early 2016. In addition, the ICCA continued its research and analysis of anti-corruption Collective Action initiatives, including the completion of a learning review of Transparency International's integrity pacts in public procurement. The project component implemented under this grant by the UN Global Compact (UNGC) which partners with the ICCA as joint hosts of the B20 Anti-Corruption Collective Action Hub has also kicked off in 2015. Activities undertaken by UNGC included an initial mapping and selection of four local networks – in Brazil, Japan, Kenya and Nigeria – for capacity building and the promotion of Collective Action. An implementation strategy was developed for the four LNs, with a number of workshops and training guides planned for further development in 2016 in the respective countries.

Over the course of 2016 and beyond, the Institute's ICCA will continue to work with different stakeholders including the private sector and partners in civil society to promote and facilitate Collective Action and anti-corruption. One example of this activity is through the ICCA's facilitation support to the B20 Anti-Corruption Task Force (ACTF), together with the World Economic Forum's Partnering Against Corruption Initiative. This role was assigned to the two organisations by members of the ACTF group.

Furthermore, the ICCA will support new research to identify what works and why, and what has not worked well in order for anti-corruption Collective Action to remain relevant and helpful in the fight against corruption, in particular for the private sector. This will be one of the primary aims of the ICCA's Collective Action conference in October 2016. The conference will address the latest in research and practice on anti-corruption Collective Action through high-level panel discussions, workshops and key note speeches from distinguished experts and practitioners.

SIEMENS INTEGRITY INITIATIVE: CONCLUSION OF FIRST FUNDING ROUND

Fighting corruption through Collective Action Promoting Effective Industry Standards: A retrospect

In 2010, the Basel Institute on Governance – together with its partners, the United Nations Global Compact and the Organisation for Economic Cooperation and Development (OECD) – have been awarded a five-year funding of US\$1.86 under the Siemens Integrity Initiative (see box with key information about the initiative). The project came to an end in September 2015, but is now followed up with another three-year funding of nearly US\$4 million under the Initiative's second round funding. The first round's impact in retrospect:

Over the course of the project's five-year lifecycle, three predominant themes have influenced the activities carried out, which together have allowed the project to generate a broad degree of impact. Namely, the project has created change through support to the policy and academic discourse; offering networking and knowledge-sharing among practitioners; and direct facilitation of Collective Action.

Impact on the policy and academic discourse has been achieved through the establishment of the International Centre for Collective Action (ICCA), which provides an institutional home for the Basel Institute's activities in Collective Action. The ICCA also hosts the B20 Collective Action Hub, in collaboration with the UN Global Compact. The project directly impacted the research agenda through its 2012 publication "Collective Action: Innovative Strategies to Prevent Corruption", essays from experts and encapsulating Collective Action history, research and practice. This work remains a landmark in the field and a source of inspiration for further work and research.

The convening power of the project, linking various Collective Action practitioners, academics and others interested, has also created impact. For example, the B20 Collective Action Hub offers an online repository of initiatives, tools and best practice that stakeholders can access at any time. Building on this, the 2014 conference "Collective Action: Going Further Together to Counter Corruption" provided networking opportunities and generated new collaborations that have borne fruit via the establishment of new Collective Action ideas and partnerships that have continued after the conference.

Facilitation of Collective Action initiatives exemplifies direct guidance under the project towards meaningful impact on the business environment. This work has entailed consultation with companies from sectors including heavy industry,



Screenshot of the B20 Collective Action Hub:
www.collective-action.com

aerospace and defence, and energy and transport as well as regionally with the Africa Roundtable, developing collaborative approaches to corruption challenges. Through these efforts, companies have worked towards improving their business environments, benchmarking and raising internal anti-corruption standards, and identifying industry best practice in corruption risk areas and promoting them more widely. In partnership with the OECD, the Basel Institute developed a corruption prevention tool called the High Level Reporting Mechanism (HLRM), which has since been taken up by the G20 and the B20, and implemented in Colombia and Ukraine.

Through the wide range of activities and approaches carried out through this project, the Basel Institute has made a significant contribution towards bringing Collective Action to the forefront as a tool to tackle corruption.

SIEMENS

Ingenuity for life

Siemens Integrity Initiative – key information

On December 9, 2009, Siemens launched a global Siemens Integrity Initiative, which supports organisations and projects fighting corruption and fraud through Collective Action, education and training with over US\$ 100 million. The Initiative focuses on supporting projects that have a clear impact on the business environment, can demonstrate objective and measurable results and have the potential to be scaled up and replicated. The Siemens Initiative is part of the comprehensive settlement between the World Bank Group and Siemens AG, which was announced on July 2, 2009. In addition, some projects may be funded on the basis of the European Investment Bank (EIB) – Siemens AG settlement, which was published in March 2013. The funds provided by Siemens will be allocated in several funding rounds over 15 years.

Source: <http://www.siemens.com/integrity-initiative>

Division for Corporate Governance and Compliance

The compliance and governance advisory services offered by the Basel Institute are first and foremost pragmatic. We do not believe in a 'one size fits all' approach. Working closely with our clients, we develop a company's capacity to manage its corruption and other compliance risks in line with its size, risk exposures and existing organisational structures. Our aim is to deliver advice and improvements that can be effectively implemented and sustainable. This means listening carefully to the goals of the organisation, understanding its risk profile, the status of its current defences and leading them, collectively, through the strategy setting.

Law enforcement will continue to develop its scrutiny of the private sector, which we believe will increasingly target mid-sized companies in a way they have not yet experienced. This comes as a result of changes in the laws that criminalize bribery between non-public sector entities, and because large multi-nationals will continue to develop and refine their compliance programmes in a way that mid-sized companies are not yet in a position to do, exposing the latter to risks, especially when they act for multi-nationals. It is in this area, where the Institute joins in to assist such mid-sized and other companies if they so request.

2015 AT A GLANCE

Corporate advisory services

- Provision of advisory services in connection with the ongoing implementation of a multinational's compliance management programme
- Support to a Swiss-based SME in the logistics industry, to establish risk-based policies and procedures to satisfy the requirements of the SME's customers (mostly MNEs) to address compliance risks around the world
- Delivery of a risk-based analysis of the compliance organisation of a small private bank followed by a training workshop to the Board of Directors in relation to the relevant Swiss and international standards including financial industry good practices
- Drafting of an opinion for the Office of Institutional Integrity at the Inter-American Development Bank (IADB) on international anti-money laundering standards in complex tax structures in non-sovereign guaranteed operations, followed by a workshop in Washington DC with the participation of several multi-lateral lending banks
- Research on, and provision of an analysis of data protection and privacy laws in 33 selected jurisdictions for a Swiss multinational as they relate to the implementation of an internal corporate whistleblowing system

Teaching

- Lecturing course on Corporate Criminal Law, as part of the University of Zurich's LL.M. in International Business Law (Faculty of Law)
- Teaching modules on anti-corruption Collective Action to international students and practitioners from India and elsewhere at the International Anti Corruption Academy

New developments and networking

- Attendance at a wide range of compliance and anti-corruption conferences and seminars in Switzerland and abroad to conduct workshops, deliver speeches and raise the profile of our services to offer tailored compliance management systems and anti-corruption Collective Action as a part of a compliance strategy
 - Development of plans for three training modules on compliance and corporate governance, to be delivered at dedicated training institutions
-

COMPLIANCE IN A MULTINATIONAL ENTERPRISE

An interview with Ms Laurie Waddy, Head of Group Compliance at LafargeHolcim

Good corporate governance plays an essential role in managing corporate risk. Primarily, it is designed to identify, manage and mitigate the risks that face companies operating in a multitude of countries and cultures. The Basel Institute regularly provides compliance advice to a wide range of industries and companies with a view to addressing corporate requirements across diverse legal and compliance-related risks within a company, whether it is bribery, money laundering or trade sanctions.

In the case of LafargeHolcim, one of the world's leading multinational companies in the construction and building materials industry, with a presence in some 90 countries, the Basel Institute provides tailored support to the development of its internal Compliance Programme. The Basel Institute's Head of Compliance and Corporate Governance/Collective Action, Gemma Aiolfi, spoke to Laurie Waddy, Head of Group Compliance at LafargeHolcim about this collaboration:

Are there particular challenges for a large MNE in your specific industry regarding corruption prevention?

With operations in 90 countries around the world, the LafargeHolcim Group faces various challenges in the countries in which it operates in both the private and public sector. Communities are typically heavily dependent on our operations for their livelihood; therefore, it is important that we support the development of those communities in a sound and ethical way. Such work requires first of all a multi-disciplinary approach and secondly a pro-active approach at the local and global level.

In your view as Head of Group Compliance, why is it critical for a company such as yours to have in place an effective compliance programme?

Operating to global standards at all times, everywhere in the world, is important to LafargeHolcim and to our customers. Maintaining those standards is critical and it is an expectation of many stakeholders that an MNC like LafargeHolcim will have an effective compliance organization empowered to ensure the consistent application of the program throughout the Group. Equally critical is the strong messaging from the leadership in the organisation that compliance is not only a priority but part of our license to operate.



Laurie Waddy
Head of Group Compliance at LafargeHolcim

Can you mention a few of the major challenges in establishing a compliance programme from scratch or in relation to the merger of equals by Lafarge and Holcim in 2015?

Finding truly high-quality compliance professionals is not an easy task in any circumstance, but nearly doubling in size brings staffing challenges that must be addressed promptly. Also, to ensure that all employees are on the same page, training is a key task that needs to get underway quickly.

Can you comment on the collaboration with the Basel Institute and how this has been useful to your task?

The Basel Institute has been a tremendous resource for the LafargeHolcim Group given the high quality of its professionals. The Institute not only brings experience in working in rigorous enforcement environments but it is also a great source of information and ideas for an effective compliance programme. The Basel Institute has been particularly instrumental in helping the LafargeHolcim Group identify supportive partners in various countries and develop its initial strategy to implement collective actions.

Is there added value that the Basel Institute brings?

The Basel Institute has assisted us in almost every aspect of our compliance programme. It serves as a useful sounding board and in all respects has been a strong and solid partner to the LafargeHolcim Group.



Our multi-pronged approach: Building bridges between disciplines and stakeholders

Cross-divisional work

At the Basel Institute, we are convinced that a multi disciplinary and multi stakeholder approach is best placed to make sustainable inroads towards achieving our institution's mission of countering corruption and improving the quality of governance. Consequently, we pursue a multi pronged approach that seeks to couple prevention with enforcement, that uses applied research to support our technical assistance, and vice versa, and that seeks to build a bridge between the public sector and the private sector. Typically these three bridging functions are interlinked. For example research into the role of context in shaping corruption and anti-corruption would look at such factors as they occur in the public and in the private sector in order to help design context sensitive corruption prevention strategies and inform a politically aware approach to enforcement action.



Research – technical assistance

The still significant lack of knowledge transfer from the many valuable research projects on corruption and anti-corruption to effective anti-corruption interventions is often lamented in anti-corruption circles. At the same time, practitioners sometimes struggle to see the value in some anti-corruption research when they appear to be too remote from realities in the field, especially when conducted by universities in low corruption level countries with little to no input from researchers in the countries being studied. We try to close these gaps by designing our research programmes on the basis of observations from practical interventions in our partner countries and through collaboration with research institutions from both the global South and the global North. In turn, we understand that our practical anti-corruption interventions greatly benefit from support from our research team in order to see beyond what is at first sight a simple technical solution, and to gain a more in-depth understanding of factors affecting the governance environment and, consequently, corruption opportunities and risks.

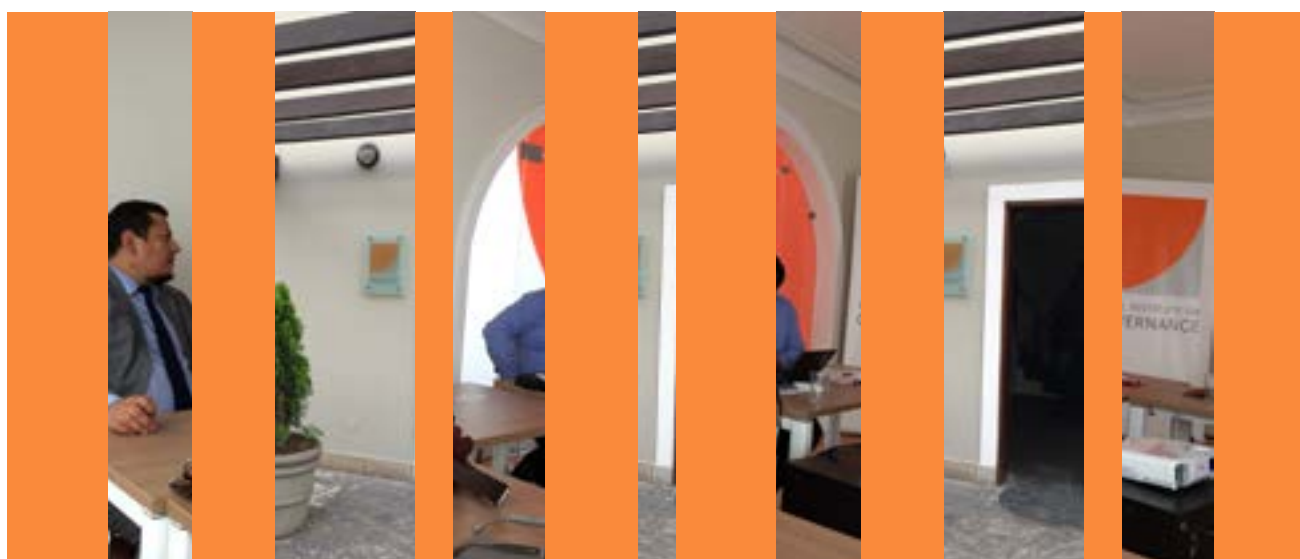
Prevention – enforcement

In countries with dedicated anti-corruption agencies, these often are tasked with prevention and enforcement alike. These functions are however typically implemented in separate departments, and in practice we often see little to no interaction between the two. Some agencies have experimented with matrix organisations in the past to help overcome the potential silo effect of such structures, but that is often a great stretch especially in low capacity countries as finding suitable staff with such comprehensive skill sets is difficult. That however makes it only more important that prevention speaks to enforcement, and enforcement to prevention. Prevention functions often conduct comprehensive research into causes and patterns of corruption and into governance weaknesses and other drivers and enablers of corruption; this is valuable information for when an enforcement agency wants to mature from a reactive to a proactive enforcement strategy. In turn, an analysis of enforcement statistics can provide valuable data for designing targeted prevention and education strategies. To facilitate this cross-function dialogue in our partner agencies, we often bring in experts from across our Institute, including governance experts, private sector specialists and enforcement practitioners. The short case study on our programmes in Rwanda and Peru are illustrative of this.

Public – private

Corruption typically involves at least two parties, and more often than not it happens at the interface between businesses or individuals and public authorities. It is widely acknowledged that effective anti-corruption measures therefore need to engage all concerned stakeholders. Furthermore, when acting jointly, businesses, civil society and the public sector can leverage the power of the group to more effectively tackle systemic corruption and to effect real change. This is where the Institute's decade-long track record of research into Collective Action initiatives against corruption comes in. Our credibility for acting as a facilitator for concrete Collective Action initiatives relies heavily on this long-term academic track record, but equally strongly on the Institute's track record of supporting companies in designing and implementing anti-corruption compliance programmes. What we see, however, both in research and in practice, is that trust between stakeholders, although lauded in many international forums, is nowhere near where it should be to truly move the joint anti-corruption agenda forward. We continue to believe in this approach and support it through our work.

Of course not all our programmes include or touch on all these aspects comprehensively and simultaneously. That is partially because of course the needs and contexts in each of our partner countries are different, and respecting these is of utmost importance for supporting sustainable solutions. However, the Basel Institute aims to work towards this ideal concept of interconnecting the different levels of activities with targeted niche interventions as much as possible. This is true both for our involvement in a given country, project or programme, and for the way we operate as an organisation as a whole. The following examples are provided as a further illustration of our overarching vision of anti-corruption, whilst of course being responsive to the fact that in most cases this is a long and iterative process.



Support to the Office of the Ombudsman in Rwanda

The Office of the Ombudsman in Rwanda (OO-Rwanda) is mandated to lead the fight against corruption in Rwanda through public education, prevention and law enforcement. The Basel Institute assists the OO-Rwanda with capacity building and advisory services in relation to corruption prevention, research-related activities and investigative work.

In 2015, the Institute's Public Governance (Research) Division supported the OO-Rwanda in its efforts to strengthen the research capacity of its prevention staff and equip them with a comprehensive understanding of corruption risks and governance gaps through the delivery of an on-site training workshop on quantitative and qualitative research methods on corruption. In a second step, experts of the Public Governance Division assisted the OO-Rwanda in conducting a concrete analysis of governance and corruption challenges in the Rwanda procurement sector. Building on a specific research methodology introduced during the preceding training, namely the "Power and Influence Analysis" (PIA), this component provided an opportunity for further on-the-job training to dedicated staff to solidify and apply the knowledge acquired during the training on the one hand, and to carry out a concrete study into a sector that has been identified by the OO-Rwanda as particularly critical for enhancing their prevention and enforcement activities.

The second programme component, the facilitation of private-public and private-private collaboration to prevent corruption, involves experts of the Institute's International Centre for Collective Action (ICCA). The objective is, on the one hand, to facilitate a constructive dialogue between key business sectors operating in Rwanda, including important multinational enterprises investing in the country, and the Ombudsman Office and, possibly over time, relevant other government authorities. On the other hand, ICCA experts aim to encourage Rwanda-based MNEs and SMEs to devise constructive joint anti-corruption approaches in their value chains. The kick-off of the Institute's facilitation of Collective Action strategies for public-private sector cooperation to tackle corruption was postponed to 2016.

In addition, and addressing the need of the OO-Rwanda in enhancing the effectiveness of its investigative work, the ICAR has offered to assist with strategic and case specific support to investigations of complex cases of corruption and money laundering with an asset recovery angle. A first scoping mission to assess possibilities for case consultancy was scheduled for early 2016.



Our encompassing involvement in Rwanda is a prime example of how we aim to combine prevention, enforcement, research and practical work, as well as bridge the public and private sectors with a view to fighting corruption and enhancing the effectiveness of governance structures.

Support to Peru's anti-corruption drive

For a number of years, the Basel Institute has been engaged in Peru through ICAR with an enforcement focus to support Peruvian authorities in their efforts to investigate and prosecute large-scale corruption cases and recover stolen assets. Through this work, the Institute has been able to build trust with relevant institutions in Peru, which has been essential in the Institute's recent expansion of its programme of work in the country. It has also enhanced our understanding of some of the factors that enable and facilitate corruption in Peru, and which would need to be tackled from a prevention perspective.

It has been with these networks and this knowledge that the Institute in 2015 successfully participated in a call for proposals by the Swiss State Secretariat for Economic Affairs (SECO) to support public financial management in selected regions and municipalities of Peru. To support the implementation of this programme, signed between the Governments of Peru and Switzerland in October 2015, the Basel Institute has established its first foreign subsidiary in Lima in the same month.

The Peru office now implements a comprehensive programme of work in collaboration with international and Peruvian partners from the public and private sectors. On the prevention side, the SECO funded programme helps subnational authorities to improve budget planning and execution and increase budget transparency and integrity. Through the same programme, the case specific assistance to enforcement agencies has been expanded to include long-term capacity building for investigators and prosecutors at central and sub-national level, bringing together ICAR's training team and the Catholic University of Lima, with a particular focus on investigating corruption in public finances and at the public-private interface at subnational level. Preparatory research in the first phase of the programme implemented with the help of the Institute's governance research team will help inform the design of additional programme components that seek to engage the collaboration of civil society and private sector actors to strengthen accountability of public finances. This programme element is further helped through the Institute's and the OECD's joint dialogue with the Peruvian private sector with a view to identifying suitable corruption reporting mechanisms that could help strengthen collaboration between the public and private sectors to prevent corruption, through which we have gained insight into some of the challenges faced by private sector actors seeking to invest in Peru.

We find our Peru strategy extremely well mirrored in the Peruvian Government's own approach to fighting corruption, illustrated by the establishment in 2010 of the High Level Commission for Anti-Corruption (CAN), which is a multistakeholder forum seeking to combine efforts, coordinate actions and propose medium- and long-term anti-corruption policies. As such, our work is building on a homegrown and very conducive environment for comprehensive anti-corruption reform in the spirit of our Institute's implementation strategy.



General information

Knowledge products

The Basel Institute regularly publishes different types of knowledge products with the intent to share insights from our research work and from our daily anti-corruption and governance practice in partner countries and in the private sector. Depending on the targeted audience and on the publication's content, our publications include handbooks and more academically presented working papers; in addition, we publish the results from commissioned studies and contribute articles to other organisations' books and publications. In 2015, the Basel Institute's knowledge products included:



Handbook

Atkinson, P., Ch. Monteith, S. Lehmann, E. Hounta: Tracing Illegal Assets – A Practitioner’s Guide (Basel Institute on Governance/International Centre for Asset Recovery, 2015).

Commissioned studies

Baez Camargo, C.: Participatory monitoring, Philippines (UNDP, 2015).

Baez Camargo, C., R. Faustine: Between condemnation and resignation: a study on attitudes towards corruption in Dar Es Salaam, Tanzania (ANTICORP, co-funded by the European Commission, 2015).

Baez Camargo, C., R. Megchún Rivera: Old Regime Habits Die Hard: Challenges to Participatory Governance in Post-Authoritarian Mexico (ANTICORP, co-funded by the European Commission, 2015).

Tello, J., C. Baez Camargo (eds.): Strengthening health system accountability: a WHO European Region multi-country study (WHO, 2015).

Working papers

Peters, A.: Corruption and Human Rights (Basel Institute on Governance, Working Paper No 20, 2015).

Wehrle, F.: High Level Reporting Mechanisms in Colombia and Ukraine (Basel Institute on Governance, Working Paper No 19, 2015).

Baez Camargo, C.: Communities against corruption: Assessment framework and methodological toolkit (Basel Institute on Governance, Working paper No 18, 2015).

Contributory articles

Aiolfi, G., N. Bonucci: Designing a High Level Reporting Mechanism for Business – A Guidance Note for Governments (Basel Institute on Governance, OECD, 2015).

Hounta, E., S. Lehmann: Doing business in high risk countries (World Finance, March-April 2015).

Nero, W., Building alliances to tackle corruption (Ethical Boardroom, Summer 2015).

Press releases

November 2015 : ICAR high-level meeting with Ukraine Office of the Prosecutor General

August 2015: We have released the 2015 Basel Anti-Money Laundering (AML) Index

August 2015: Siemens to fund the Basel Institute on Governance and partners to scale up anti-corruption Collective Action

Team and Foundation Board

Team

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Hoa Truong Web & E-Learning Designer, Vietnamese
Matthias Wilde Administration & Project Support, Swiss
Laura Wirz Administration & Project Support, Swiss/Italian
Lejla Zvzdic Asset Recovery Specialist, Bosnian/Swiss

Peru office

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Elisabeth Andrade Admin Staff
Bruno Barletti Director (until September 2015)
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Limberg Chero Líder de Componente
Luis Céspedes Espinoza Consultor
Walter Saavedra García Consultor
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Juan Carlos Guevara Consultor
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Miguel Peñailillo Líder de Componente
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Nicholas Staite Senior Asset Recovery Specialist, British

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Departed and temporary staff

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Mirella Mahlstein Administration, Swiss
Cosimo Stahl Intern, German
Sarah Stürzinger Intern, Swiss
Mijaila Torres Research Assistant ICAR, Peruvian

Foundation board

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Prof Dr Anne Peters, Vice President
Dr Marco Balmelli
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Dr Thomas Christ
Prof Dr Till Förster
Prof Dr Lukas Handschin
Prof Dr Anton Schnyder
Christoph Tschumi

Partners

The Basel Institute partners with a wide range of public and private institutions in the development and execution of its programme of work. We are thankful for these partners' many rich and invaluable insights and expertise as well as for their continued support and commitment to the work of the Institute throughout 2015. We look forward to cooperating and collaborating with them on projects in the future.

ANTICORRP (EU research consortium)
 Asset Recovery Inter-Agency Network of South Africa
 B20 Anti-Corruption Task Force
 UK Foreign & Commonwealth Office
 Catholic University of Peru
 Council of Europe
 Egmont Group of Financial Intelligence Units
 ESAN University, Peru
 Ethics and Compliance Switzerland
 Europol
 Fairtrade International
 GIZ
 Global Forum on Law, Justice and Development
 International Anti-Corruption Academy
 International Institute of Higher Studies in Criminal Sciences
 International Forum on Business Ethical Conduct
 Interpol
 National Anti-Corruption Commission of Thailand
 Organisation for Economic Co-operation and Development
 Organisation for Security and Cooperation in Europe
 PLADES-Peru
 Siemens Integrity Initiative
 State Financial Intelligence Service of the Government of the Kyrgyz Republic
 Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – Peru
 Superior Council of Magistracy of Romania
 Swiss Agency for Development and Cooperation

Swiss Federal Department of Foreign Affairs/Directorate for Public International Law
 Swiss State Secretariat for Economic Affairs
 Thai Institute of Directors
 Thailand Private Sector Coalition Against Corruption
 TRACE International
 Transparency International
 U4 Anti-Corruption Resource Center
 United Nations Crime Prevention and Criminal Justice - Programme Network
 United Nations Development Programme
 United Nations Office for Drugs and Crime
 UNODC/World Bank Stolen Asset Recovery Initiative
 United Nations Interregional Crime and Justice Institution
 United Nations Global Compact
 Universidad de San Andrés, Argentina
 University of Basel, Switzerland
 University of Queensland, Australia
 University of Western Cape, South Africa
 Wolfsberg Group
 World Economic Forum Partnering Against Corruption Initiative
 World Health Organisation
 World Bank

Because of the highly sensitive nature of ICAR's casework assistance, partner countries of ICAR's casework team are not published.

Funding

The Basel Institute is an independent not-for-profit organisation operating in 2015 on an annual budget of CHF 6 million.

These financial resources are in parts provided through thematically earmarked core contributions from donor agencies and private institutions towards the work of our two specialised centers, as well as the Basel Institute's new country office and technical assistance programme in Peru. In 2015, the Basel Institute again received such core contributions from the Principality of Liechtenstein, the Swiss Agency for Development and Cooperation (SDC) and the United Kingdom Department for International Development (DFID), which fund the operations of the International Centre for Asset Recovery (ICAR). The Siemens Integrity Initiative continued to provide funding towards the operational mandate of the Institute's International Centre for Collective Action (ICCA). The Institute's new country-specific programme of work in Peru received earmarked funding from the Swiss State Secretariat for Economic Affairs (SECO).

In addition to these core contributions, the Basel Institute generates additional income from advisory services and also receives direct project-specific funding from a number of development and corporate partners for the provision of technical assistance. Funds generated through these means make up about 45% of the Basel Institute's total annual budget. Any surplus assets generated from such work is channelled into supporting the Basel Institute's research activities as well as its various technical assistance programmes in developing countries.

We are grateful to our donors and partners for their continuous financial and in-kind support, which allows us to pursue a collective effort to eradicate corruption and promote good governance worldwide. We look forward to working with many of them again in the future.

Financial statement

Balance sheet

	31 Dec 2015	31 Dec 2014
Assets (in CHF)		
Liquid assets	936'993.09	1'331'993.65
Trade-Receivables	2'168'275.99	530'101.69
Other-Receivables	152'934.52	23'534.01
Accrued income and prepaid expenses	316'867.55	316'853.95
<i>Total current assets</i>	<i>3'575'071.15</i>	<i>2'202'483.30</i>
Office furniture and IT equipment	23'906.18	3'265.00
Financial assets	34'027.40	27'463.00
<i>Total fixed assets</i>	<i>57'933.58</i>	<i>30'728.00</i>
Total assets	3'633'004.73	2'233'211.30
Liabilities (in CHF)		
Trade-payables	234'383.34	74'855.15
Advance-payments	1'415'101.10	196'113.15
Other payables	163'248.19	86'319.01
Accrued liabilities and deferred expenses	281'156.63	109'715.22
<i>Total current liabilities</i>	<i>2'093'889.26</i>	<i>467'002.53</i>
Restricted funds (ICAR)	983'701.84	1'217'690.05
<i>Total restricted funds</i>	<i>983'701.84</i>	<i>1'217'690.05</i>
Paid-in capital	20'000.00	20'000.00
Unrestricted capital (GOV)	528'518.72	457'420.26
Annual result	6'894.91	71'098.46
<i>Total capital of the organisation</i>	<i>555'413.63</i>	<i>548'518.72</i>
Total liabilities	3'633'004.73	2'233'211.30

Statement of operations

Income and expenditure (in CHF)	2015	2014
Contributions	2'586'131.00	2'750'650.00
Project income (fees)	2'710'746.11	1'851'051.63
Reimbursed expenses	535'839.09	
<i>Total operating income</i>	<i>5'832'716.20</i>	<i>4'601'701.63</i>
Project expenditure	-5'248'100.21	-3'845'099.70
Administrative expenditure	-800'281.60	-812'900.83
<i>Total operating expenditure</i>	<i>-6'048'381.81</i>	<i>-4'658'000.53</i>
<i>Operating surplus (-deficit)</i>	<i>-215'665.61</i>	<i>-56'298.90</i>
Net financial income	-23'345.95	15'280.95
Net extraordinary income	11'918.26	49.93
Change of restricted funds	233'988.21	112'066.47
Annual result	6'894.91	71'098.45

Note: The aforementioned balance sheet and statement of operations form part of the Basel Institute's 2015 financial statement. The 2015 financial statement was audited by Abelia Wirtschaftsprüfung und Beratung AG, in accordance with Swiss GAAP ARR, the Swiss law as well as the Charter of the Foundation and its regulations. The Board of the Foundation approved the 2015 financial statement on 2 May 2016.

Stay in touch

Websites

Basel Institute on Governance
www.baselgovernance.org

B20 Collective Action Hub
www.collective-action.com

Asset Recovery Forum
forum.assetrecovery.org

Basel AML Index
index.baselgovernance.org

Guide to the Role of CSOs in Asset Recovery
cso.assetrecovery.org

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