

International Centre for Asset Recovery Operational Strategy 2021-24

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1 Executive Summary

ICAR's new strategy has been developed to drive the sustainability of ICAR's operations and evolution for a period of four years (2021-24). The strategy is informed by ICAR's internal learning during the implementation of the previous strategy (2017-20) and the findings of an external review conducted during the second half of 2019.

Asset recovery continues to be a critical aspect of global development as corruption remains a major challenge. Against this backdrop, ICAR continues to be a highly relevant and impactful organisation. Especially in low and middle-income countries, corruption leads to the depletion of already scarce resources to the detriment of investments in basic social services and economic growth, and seriously undermines countries' ability to mobilise resources to achieve the Sustainable Development Goals (SDGs) by 2030. In direct response to this challenge, ICAR successfully helps its partner countries to pursue an asset recovery strategy to invigorate the fight against corruption and build more effective anti-corruption chains and systems. By doing so, ICAR has contributed to the recovery of hard assets, which resulted in resource mobilisation for sustainable development. Crucially, this was coupled with a deterrent effect by multiplying the risks for engaging in corruption. It also resulted in an increase in the quality and effectiveness of our partner countries' rule of law and public trust in government, which we refer to as soft assets.

ICAR can make a vital contribution to tackling the most pressing development challenges, including COVID-19 and climate change. The challenges presented by COVID-19 and the climate crisis have exacerbated the weaknesses within the global anti-corruption response and have increased the scale and opportunity for corruption. There is therefore a clear need to continue, and indeed boost, investments in strengthening both prevention and asset recovery-oriented law enforcement responses to corruption, bringing more institutions and countries into the global asset recovery movement, and investing in creative, pragmatic and results-oriented solutions. In this increasingly less cooperative international community, ICAR's continued effort in the implementation of global anti-money laundering and asset recovery standards continues to be a strategic investment in the reinforcement of a rules based global system.

All of ICAR's activity strands have proven to be relevant to respond to country partner's needs, not least since the particular mix of activities are successfully adapted to different country contexts. ICAR's new strategy will largely maintain activities and outputs from the previous strategy, albeit organised in two mutually reinforcing and interconnected categories, namely: 1) technical assistance comprising training, case advice, and all legal/institutional strengthening activities; and 2) learning and global advocacy, including IT based asset recovery tools. Over the next four years, we expect technical assistance to drive 80% of our impact, with learning and global advocacy accounting for 20%. The integration of training, case advice and legal/institutional strengthening into one category recognises that they are quintessentially complementary and jointly generate sustainability, while acknowledging that the distribution of activities should remain highly adaptable to meet the technical and political economy demands of the highly complex countries in which ICAR operates.

The new 4-year ICAR strategy will continue to implement the successful approach and work methods pursued under the previous strategy. In addition, five priorities are added to deepen sustainability and impact. These priorities build on ICAR's achievements and growth to date – in reputation, size, and geographical reach. They are also key to further our impact against the backdrop of new global asset recovery trends and continuously evolving global development challenges.

Priority One – More systematically pursue a chain-linked approach and deepen our technical offering across the asset recovery value chain: Joining the dots and building stronger links between anti-corruption institutions has proven to be key to deliver deterrent sanctions and deprive corrupt officials of their ill-gotten wealth. As part of the new strategy, we will expand our support to public institutions in the asset recovery delivery chain, including adding capacity in the areas of asset management;

more actively engaging with adjudicating bodies; and seizing opportunities to further mainstream the follow-the-money approach in acquisitive or profit based crime. ICAR will also strengthen its engagement with actors that are not yet sufficiently the focus of asset recovery related assistance, in particular financial institutions and other non-financial businesses that fall under the anti-money laundering (AML) reporting obligations and that play an important role in the prevention, detection and recovery of proceeds of corruption and related illicit financial flows. (See section 7.1.1.2.)

Priority Two – Increase value-for-money and economies of scale by strengthening regional clusters: Under the new strategy, ICAR will strengthen selected regional clusters - Latin America, East and Southern Africa – where ICAR has a unique footprint and singular ability to impact change, including through South-South collaboration. This will increase leverage; generate significant value-for-money by building on synergies between work programmes and reducing travel costs; enable a soft entry into new countries; and foster locally owned regional cooperation, thereby enable a soft exist in due course. This regionalisation effort will be supported through partnerships with up to three regional partner institutions (e.g. leading local training or anti-corruption authorities) and selected regional networks, as well as by adjusting existing operational and staff structures. (See section 7.1.2.1.)

Priority Three – Gradually (and carefully) increase our reach to become a global player: The rationale behind this targeted growth is twofold: 1) to respond to the increase in demand for ICAR's unique mix of services; and 2) to further increase our impact in emerging and developed countries and global and regional financial centres. This is essential for the effectiveness of our case advise and global advocacy efforts. To this end, ICAR will test the engagement in South East Asia as a mixed developing – financial centre region. Also, building on our productive relationships with key operational organisations such as the International Anti-Corruption Coordination Centre or the Egmont Group, ICAR will strengthen partnerships with regional networks of financial centres. (See section 7.1.2.2.)

Priority Four – Strengthen our learning and global advocacy profile. ICAR's work over the past four years consisted first and foremost of technical assistance in its partner countries, with limited outputs and objectives in relation to publications and knowledge dissemination or global advocacy. Building on the work done in this area to date – not least the Basel AML Index, the Basel Open Intelligence research tool, and key global fora such as the Lausanne seminars or the Addis process –, the new strategy will place an enhanced emphasis on learning, knowledge dissemination, and global advocacy as a cross-cutting activity area. This renewed emphasis is grounded in the realisation that ICAR, through its country-specific hands-on work, has a unique and contextually grounded understanding of the barriers and solutions to effective asset recovery. As our analysis is anchored in day-to-day anti-corruption practice more so than for any other organisation in our field, the resulting proposals for enhancing the asset recovery practice are both more relevant and more actionable than when such proposals are made based on academic debate and theory. ICAR's knowledge products should serve to inspire innovative asset recovery practices in our partner countries, but also to influence practice and policy in other countries and global policy fora. (See section 7.2.2.)

Priority Five – Use comprehensive country assessments to define our engagement with partner countries, assess partner agencies' progress and identify measurable triggers for scaling up or down our interventions. ICAR systematically applies an implementation strategy that steers away from a one-size-fits-all approach and instead adapts technical assistance programmes to context. In doing so, it has taken into account factors such as buy-in and demand from beneficiaries, variations in the type and maturity of the domestic legal and institutional framework, existing technical assistance programmes, country size, sustainability potential, and availability of resources. This flexibility and adaptability has been lauded by partners as highly coherent with demand on the ground and has been key to achieve value for money. To ensure the full benefits of this flexible approach while further enhancing accountability and measurability, ICAR will seek to more systematically document the factors that lead to programmatic decision making using a new methodology developed and piloted during 2019. In addition, by seeking a collaborative approach with our partner countries for these assessments, they will provide our countries with valuable guidance in the context of domestic reform processes and engagement with other programmes. This is also a key component of our distinct effort under the new operational strategy to take a more explicit sustainability approach throughout our work. (See section 7.3.)

2 Introduction

The International Centre for Asset Recovery (ICAR) was founded in 2005 as part of the Basel Institute on Governance, a Swiss based internationally operating not-for-profit foundation dedicated to combating corruption and related financial crimes and promote good governance among public and private actors.

ICAR's mission is supporting developing and transition countries in enhancing their capacity to recover stolen assets. Asset recovery is understood to be an essential part of the fight against corruption and contributing directly to the attainment of the SDGs, both through resource mobilisation and by strengthening essential components of a state's key functions.

With a total of 34 staff, ICAR is operating in a wide range of countries through case advice, training and policy and legal advice, and actively contributes to global policy dialogue on asset recovery and related themes. Founding donors of ICAR are the Principality of Liechtenstein, the Swiss Agency for Development and Cooperation (SDC) and the United Kingdom's Department for International Development (DFID). Since then, Jersey and Norway have joined the group of core donors. In addition, country offices of ICAR core donors as well as a number of other donors contribute to funding short-term and long-term in-country projects and training activities.

This strategy has been developed to guide the sustainability of ICAR's operations and evolution for a period of four years (2021-24). The strategy is informed by ICAR's internal learning during the implementation of the previous operational strategy (2017-20) and the findings of an external review conducted during the second half of 2019. This strategy is also responsive to the evolving COVID-19 pandemic which is presently impacting ICAR donors, partner countries, and our working modalities. While the COVID-19 pandemic is still rapidly evolving and its precise course is hard to predict, it is clear that this crisis will continue to have wide-ranging impacts over the lifetime of this operational strategy. For ICAR, the increased risk of public funds being stolen - as a result of the COVID-19 pandemic - demands a corresponding commitment for the continued implementation of global anti-money laundering standards and the recovery of stolen assets.

The strategy is submitted to ICAR core donors for discussion and ultimately should inform core donors' future funding levels for ICAR. In the event that funding committed by current ICAR core donors is not sufficient to fully implement this operational strategy, it will be used for outreach to potential new core donors. In the interim, certain objectives and related activities described in this strategy would need to be slowed down or postponed.

3 Context

Asset recovery continues to be highly relevant for development as corruption remains a major challenge for many countries. It leads to the depletion of already scarce resources to the detriment of investments in basic social services and economic growth, and seriously undermines countries' ability to mobilise resources to achieve the SDGs by 2030. Corruption is also widely recognised as fundamentally undermining good governance as well as some of the key functions of a state, including the rule of law and fair and equal participation in the political process. Further, corruption hinders and actively damages the full enjoyment and protection of human rights.

Asset recovery is clearly stated in key international instruments and regularly reiterated by all relevant international bodies and leading anti-corruption specialists as an essential component of the anti-

corruption response. And indeed therefore recovering stolen assets continues to be a topic that should be at the top of political agendas, and it frequently is. When effective, asset recovery is both an enforcement and a prevention tool. This means that enforcement - the recovery of stolen assets – not only punishes the perpetrator by ensuring that stolen assets are returned to the public purse, but that the very act of recovering those assets prevents other would be perpetrators from the abuse of public funds.

Since the entry into force of the UN Convention against Corruption (UNCAC) we have observed significant progress, but we are very far away from the end of the tunnel. Internationally, we have for example seen efforts to address the implementation of global anti-money laundering standards bear some fruit. The new evaluation methodology implemented by the Financial Action Task Force (FATF) and its global network is pushing low-capability jurisdictions to embrace reforms and build more effective financial crime enforcement and prevention mechanisms. Yet a lot of gaps remain and are becoming more visible through this essentially positive development. As regulatory standards improve, for example, reporting entities are not equipped to respond to these adequately. We also do not yet see the expected level of impact – nor an adequate level of implementation – of beneficial ownership transparency standards, in both low-capacity and high-capacity countries. Indeed, countries systematically score very badly in this FATF criterion as a targeted analysis by ICAR's Basel AML Index team revealed. This and recent money laundering scandals in Europe would seem to indicate that financial centres (in the Northern and Southern hemispheres alike) need to step up their game, as risks evolve and become more discernible.

Also to be noted positively is the renewed impetus in some jurisdictions to implement existing legal instruments, not least regarding anti-money laundering and illicit enrichment. Similarly, countries have started making headway in piloting new tools or legislation, for example using non-conviction based forfeiture or administrative procedures or introducing intelligence led and asset focused investigation methods. We also see an increase in cooperation in some cases which are being investigated in parallel in two or more jurisdictions. However, the incentives for public officials to fight corruption and recover assets varies substantially across jurisdictions and this remains a key determinant which greatly affects the capacity of relevant agencies to recover stolen assets. Also, resource and capacity constraints make it difficult for even the most experienced investigators and prosecutors to make a dent in the mass of grand corruption schemes. On the other hand criminals have increasingly embraced the bountiful opportunities modern technology has provided in the maintenance of their illicit activities, including using ever more sophisticated forms of encrypted communications. They engage professionals to disguise their assets, hiding them in complex corporate structures or in non-cooperative jurisdictions. They also have access to some of the best defence lawyers.

This asymmetry is further compounded by the global community remaining slow in removing well-known obstacles, such as outdated regimes for international cooperation and uneven implementation of global anti-money laundering standards. And now these challenges have been further amplified in 2020 by what the International Monetary Fund has termed “the Great Lockdown”. Corruption, and corruption risks are projected to increase as a result of the global Covid-19 pandemic. In the short term, corruption risks associated with emergency relief operations may lead to an increase in the large-scale misuse of funds freed up as part of the Covid-19 response; these cases will be at the forefront of anti-corruption agencies' focus for their undeniable life-and-death relevance. In the long term, and not confined to low capacity states, Covid-19 has led to enhanced powers of state institutions and corruption risks associated with the massive need for loans to mitigate the medium, and longer-term economic fallout. Finally, Covid-19 is disrupting the work of transparency and oversight mechanisms, and will invariably impact work methods in the medium term.

In this global emergency, with rising corruption, asset recovery is an imperative.

4 Lessons learned

4.1 Relevance, quality, coherence and effectiveness

In view of the above, the relevance of an organisation dedicated to strengthening asset recovery capacities in those countries that suffer most from corruption and its related implications seems undeniable. This is even more so the case as ICAR continues to be one of the only organisations solely dedicated to this purpose – together with the Stolen Asset Recovery Initiative (StAR) of the World Bank and the UN Office on Drugs and Crime (UNODC).

In this context, the external reviewers noted that complementarity with activities implemented by other projects and donors in general is perceived as high. Also, although some non-ICAR donors have recently started integrating asset recovery components into selected country programmes, the number of donors ready to support such a political field of technical assistance remains limited. Combined, this seems to indicate a significant level of relevance combined with a limited risk of duplication of activities and indeed large scope for complementarity of ICAR's work with governance and anti-corruption programs implemented by a broader range of actors. The review suggests however that while ICAR activities are highly relevant and appropriate in view of its Theory of Change and mission, consideration should be given to broadening the scope of work of ICAR, both with respect to the asset recovery delivery chain and possibly going beyond enforcement.

The external review further notes that feedback from partners and experts invariably points to the excellent quality of ICAR's interventions, with a particular focus on the exceptional quality of its staff and its products (e.g. training), and the significant impact that ICAR's interventions have had on concrete cases and institutional developments. Key factors contributing to this positive assessment include our focus on recruiting practitioners across all our activities, the focus on long-term engagements instead of ad hoc activities, the embedded expert model and ICAR's adaptability and flexibility. These are also essential elements of our sustainability strategy.

It is, however, important to note that the impact of ICAR's work goes beyond the recovery of hard assets, as clearly identified in the previous operational strategy and confirmed by experience and the external review. So-called soft assets – strengthened institutions and enhanced trust in those institutions – which have been an indirect outcome of ICAR's interventions are at least as valuable in the long run. Indeed, the relevance of anti-corruption – and therefore asset recovery – cannot be overstated and must be understood as going far beyond the immediately obvious SDG targets related to governance, as is illustrated at the example of particularly relevant and current global development challenges in section 6.

4.2 Activities

The external review has noted that all types of activities implemented by ICAR continue to be highly relevant for tackling the observed challenges of partner countries to recover stolen assets. This is also confirmed through the engagement of ICAR with both existing and new partner countries. Typically countries approach ICAR requesting one type of assistance – case advice, legal or institutional reform assistance, or training. This is sometimes because they are not aware of the scope of assistance provided by ICAR, and sometimes because they are faced with a particularly pressing issue. The broadening of scope of engagement however usually happens quite quickly and organically, as the quality of laws, skills gaps and case progress are of course interconnected matters.

Case advice is still a unique product of ICAR and continues to be in high demand. The experience of staff in this field, both in practical asset recovery and in terms of cultural sensitivity, are essential ingredients for this delicate work. ICAR's extensive network of international contacts, which has

naturally grown with the increase in staff from a wide range of countries, has also had an important operational impact.

When teams can work across the asset recovery delivery chain, the impact of case work is particularly high. For low-capacity countries, the embedded expert model of ICAR is confirmed as a particular strength of ICAR, although it comes with relatively high costs, higher exposure to delivery risks associated with political changes (or unexpected events such as Covid-19) and challenges with respect to the recruitment of suitable experts. In addition, the typically complex nature of corruption cases combined with slow domestic and international processes and institutions make it difficult to measure tangible impact within a relatively short period of time (e.g. a 4-year operational strategy).

Experience over the past four years has also revealed that striking the right balance between supporting high-profile cases and smaller cases can critically improve impact on at least two levels. While high-profile cases typically have a significant potential for recovery, they are also more exposed to risks of political interference and significant delays related to international cooperation. Smaller cases are often of domestic nature, hence additional delays due to international cooperation procedures do not come into play. Also, such cases are often less daunting for our partners and individual investigators and prosecutors feel readier to tackle them. They therefore offer an excellent opportunity to train officers in essential aspects of financial investigation and asset recovery, and to build confidence among officers so that gradually they feel empowered to take on more complex cases. As such they can generate significant sustainable impact when it comes to building skills, confidence and precedent. Regional cases are a potential next or complementary working tool.

Case work has also proven to be an excellent entry point to pilot new tools and working methods. Together with training delivery, when often in-depth discussions about existing legal and institutional structures are held, they are further an essential source of information and analysis when it comes to identifying gaps to be addressed through institutional or legislative reform. In a range of technical assistance projects, we see that partners are encouraged to introduce new laws and techniques by experts who have little or no understanding of the local context. Sometimes laws are proposed that are entirely incompatible with the domestic legal tradition, and as a consequence can result in significant challenges, even of a constitutional nature. In the best of scenarios, they are never used, but when they are adopted it is unlikely that this can be corrected within a reasonable timeframe as legislative reform pipelines are typically overburdened.

An interesting evolution during the implementation of the previous operational strategy was a growing clustering of activities in certain regions (e.g. Eastern Africa, Southern Africa, and (North-Western) Latin America). This development evolves almost naturally from our presence and convening power which is increasingly more regional. Quite a number of new country engagements result from one country learning from a neighbouring country about our work, while in the past country engagements often resulted primarily from our engagement in global policy forums or through ICAR core donors. Although anti-corruption agencies are usually connected through regional networks and organisations, our work in the field revealed a lack of operational cooperation as well as sharing of experiences beyond general presentations and generic trainings. Through our in-country presence, we were able to make significant inroads in operationalising regional cooperation, both in terms of cross-border case work and intelligence sharing as well as by facilitating sharing of practical, case-based experience, e.g. on intelligence gathering, on plea bargain regimes, or the application of illicit enrichment laws.

Both ICAR's in-country **training** and e-learning modules continue to receive exceptional feedback by trainees. This was confirmed by external reviewers as well as findings from the training impact analysis, which in particular attested highest scores when it comes to the relevance and job applicability of ICAR training. The successful roll-out of a range of new modules, including shorter training sessions, the success of the Train-the-Trainer programme in Tanzania, but also the introduction of additional forms of internet-based training technology (including triggered by covid-19 in the first half of 2020) have been the most notable developments during the previous operational strategy.

We have also noted a significant increase in our training activities when these have been integrated into broader country programmes, as we have more control over participants and can accompany trainees in the course of case work and other in-country activities. This effect has most recently been reinforced by joined-up scoping missions by the training and case advice teams. Training activities embedded in long-term country programs has also allowed to train the same trainees on multiple occasions and building their skills as the modules get more sophisticated. This cements the relationship with trainees on the ground and allows for progress and growth.

At the same time, the training team cannot always respond to ad hoc requests for training in country-specific matters, for example around the introduction of a new law. In these cases, in-country teams which are highly familiar with any such developments have filled the gap. In order to ensure economy of scale and quality control of such ad hoc trainings, 2020 has seen the introduction of a centralised training platform for internal and external use.

Reviewers find that ICAR's impact could benefit in terms of sustainability if assistance focused on strengthening countries' **legal and institutional frameworks** could be increased. ICAR has come to the same realization in the course of implementing the operational strategy 2017-20, as described in its annual report 2019. While case advice remains a critical component of ICAR's portfolio of work, where it has the dual impact of capacity building and effective recovery and because it offers an almost unique service, its effectiveness can often be endangered in situations outside the control of ICAR, such as political changes, lack of cooperation from foreign jurisdictions, or discretionary staff rotation. A more integrated approach combining case advice and legal and institutional reform assistance can help protect against such risks, as well as increase the sustainability of ICAR's operations. It is further warranted because ICAR's assumption underlying the operational strategy 2017-20, namely that its staff are uniquely placed to advise on such reform precisely because of the insights that have been gained through case advice, has been confirmed; the external review report clearly attests to this fact.

The decision of limiting ICAR's focus on legal and institutional reform (and **global policy**) under the previous operational strategy has had a limiting effect on knowledge dissemination, both internally and externally. The rationale behind this choice was to focus, during 2017-20, on areas in which ICAR has a unique advantage and fills a clear niche. While this remains also a guiding principle for the new operational strategy, the potential pitfalls of attributing very little focus to knowledge products are that experiences gathered at country level have not translated into institutional and indeed global knowledge building.

The clarity of ICAR's engagement in global policy forums, where emerging issues continue to be promoted through suitable channels (e.g. Lausanne seminars, Africa-Europe Roundtable, side events at UNCAC COSP, etc.) managed to balance the potential negative impact of the low priority attached to global policy dialogue. Given the uniqueness of ICAR's insights into asset recovery practices across a wide range of jurisdictions, there is clear potential for boosting ICAR's contribution to global policy dialogue, as well as widening and deepening its scope.

4.3 Programming and scope

Whilst all activity strands of ICAR have proven to be relevant and responsive to countries' needs, practice has shown – and this has been confirmed by the external review – that ICAR has adjusted the mix of activities depending on context. In doing so, it has taken into account factors such as buy-in and demand from beneficiaries, variations in the type and maturity of the domestic legal and institutional framework, existing technical assistance programmes, country size, sustainability potential and availability of resources (regarding ICAR and its beneficiaries). This flexibility and adaptability has been lauded by partners as highly coherent with needs and leads to increased value for money as is normally the case with “adaptive programme management” approaches.

Another potential downside of the country-specific approach is that not all ICAR programmes stretch across the entire “asset recovery delivery chain”, i.e. the government institutions that together detect, freeze, confiscate, and ultimately recover illicit assets. Whilst in some countries interventions are focused on domestic investigative stages, in others ICAR support is most needed when it comes to

international cooperation. Similarly, our programme of work might involve early stages of (financial) intelligence gathering and analysis, or support negotiations regarding the end use of confiscated assets. Often such a context-dependent, selective approach is justifiable, for example when other technical assistance providers have already invested heavily in certain areas of the chain or when the needs of a country are limited in scope. Being adaptive to country context is also generally speaking in line with donor principles. However, when a programme is limited in scope due to other factors such as, for example, lack of incentives for reform in selected institutions along the asset recovery delivery chain, or because we have limited expertise in certain fields (e.g. in financial integrity and AML, asset management, adjudication), working in focused areas alone can limit the effectiveness of our intervention. Consideration therefore should be given to a degree of broadening the scope of expertise of ICAR staff, to tackle the one limiting factor that is under ICAR's direct control in this respect.

In the same vein, reviewers noted that while ICAR's focus on of corruption deterrence through asset recovery is entirely in line with its theory of change, consideration should be given to broadening the scope of ICAR's activities to (non-enforcement) related prevention activities. In their view, this should be encouraged in countries where ICAR benefits from considerable trust with key domestic stakeholders. In this regard, the cross-divisional efforts in Malawi were identified as a good practice example.

The traditional focus of ICAR's activities has been on assets stolen through corruption and closely related financial crimes. This has given ICAR a clear profile, which has allowed us to delineate our work from that of other assistance providers, thereby avoiding duplication or unnecessary overlap, and define our programmes of work with our partners in an unambiguous way. The external review has noted this positively too and recommends that this focus should remain. At the same time, the review – and our experiences in the implementation of the previous operational strategy – highlighted what we have known for some time, namely that corruption and asset recovery transcends different areas of crime. By way of example, a range of trafficking crimes, such as human trafficking, wildlife trafficking and drug trafficking, are closely linked to corruption and money laundering. Indeed, it would be virtually impossible to run these illegal trade networks without regularly greasing the hands of customs and police officials and other public officials and, more importantly, without sharing the profits with key high-level officials who will keep their eyes closed in return. These forms of illegal trade also generate enormous amounts of illicit financial flows. It is therefore highly recognised that asset tracing and recovery are important tools in combatting illicit trade for the same reasons that they are typically employed in more general anti-corruption efforts, namely to deprive criminals of the incentives and to break up criminal networks rather than arresting individual (low level) perpetrators.

In all the choices ICAR and its partner countries make with respect to programming, considerable thought is given to a range of factors as indicated above. In countries with long-term country programmes and in-country experts, these decision-making processes are documented in work plans and adopted and adjusted in programme steering committees which typically include the beneficiary/ies, the donor(s) and ICAR. However, country assessments (both at the beginning and during a programme) are not always documented. This was found to be a weakness by external reviewers and has in practice caused challenges when seeking to establish baselines against which to measure progress.

5 Theory of change

The ICAR Theory of Change (TOC) targets the fundamental barrier that corruption poses to sustainable development and in turn the huge potential of effective anti-corruption responses to accelerate the achievement of the SDGs. As such, and in line with UNCAC, the TOC positions **asset recovery as a key prevention and enforcement mechanism to tackle corruption** and, through this, essential barriers to sustainable development .

To advance toward this goal under the 2021-24 operational strategy, we are maintaining the fundamental logic of the TOC as articulated in the previous operational strategy. The external review has clearly shown that it continues to be an effective response to global asset recovery challenges and an adequate reflection of the impact ICAR aspires to have and what is required to achieve it. The TOC is illustrated in Figure 1 below and can be summarised as follows:

- **Inputs** consist first and foremost of the longstanding experience and in-depth expertise of ICAR experts, a large majority of which are practitioners. Their work is supported by ICAR’s network of partners at national and international level, management and administrative resources and our convening power which arises from the ever growing reputation and recognition of ICAR triggered by our expertise, professionalism and independence.
- ICAR’s **interventions** consist of a combination of technical assistance and learning & global advocacy.
- These are projected to lead to **outputs** in the form of enhanced competencies and skills, more and more effective enforcement, the availability and use of adequate tools and laws within a suitable institutional framework, and innovation at the global level.
- Our experience implementing the previous operational strategy suggests these continue to be the most critical outputs to generate the **outcomes** that can make asset recovery more efficient, namely stronger legal and institutional frameworks and anti-corruption chains that are better equipped to deliver sanctions for corruption and recover stolen assets.
- Ultimately, this increases the risk of engaging in corruption and acts as a deterrent, enhances the rule of law and trust in government (soft assets), and leads to the recovery of (hard) assets and resource mobilisation for sustainable development (**impact**).

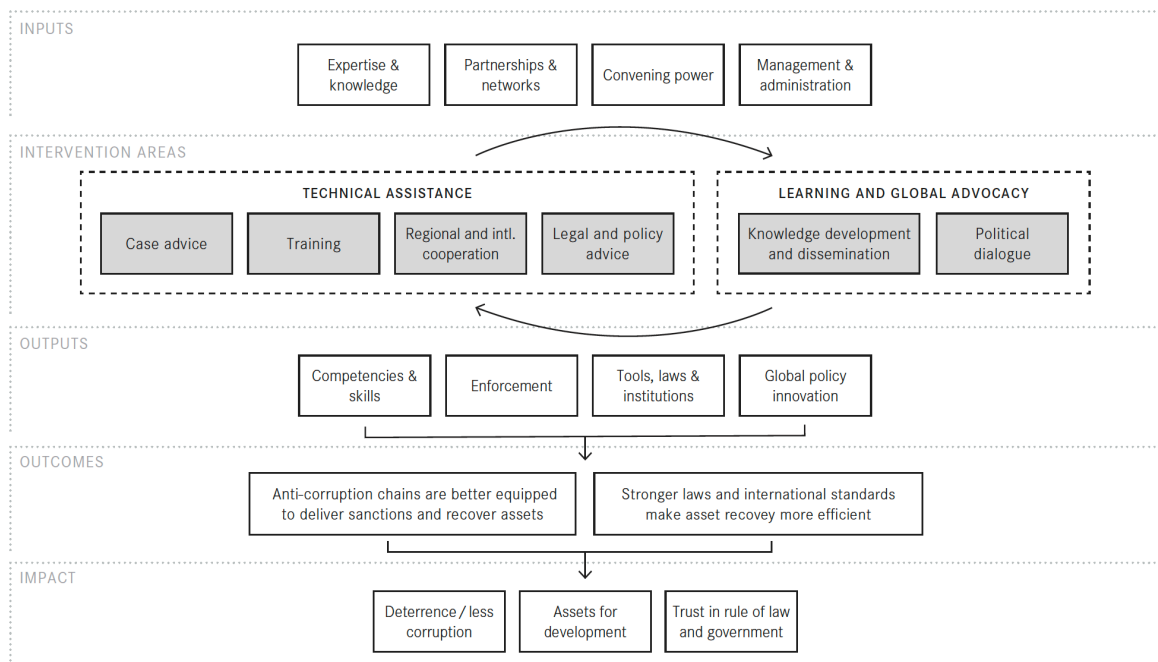


Figure 1: ICAR Theory of Change (2021-24)

As a result of learning and implementation experience accumulated during the previous operational strategy and in line with the recommendations of the external review, the new operational strategy groups implementation activities into two mutually reinforcing and interconnected intervention categories, namely:

- Intervention category 1 (**technical assistance**) comprises case advice, training, legal and policy advice and regional and international cooperation. This is weighed at 80% in terms of impact and

resource investment. A significant portion of these activities is implemented at country level, while the emphasis on intervention areas within this category can vary depending on context.

- Intervention category 2 (**learning and global advocacy**) is to a significant degree led by headquarters and consists of knowledge development and dissemination and political dialogue; it is weighed at 20% in terms of impact and resource investment.

The integration of four areas of intervention into one intervention category is in recognition of the fact that none of these activities can usually deliver alone against needs and expectations or against the expected impact of ICAR's. As described in the previous section, experience has confirmed a number of tentative assumptions made in the previous operational strategy:

Both case work and training (which mirrors domestic laws and institutions) allow us to gain unique insight into legal or institutional hurdles and are powerful entry points to **advise on context sensitive legislative or institutional reform**. Case advice has also proven to be a particularly effective way to pilot and provide **proof of concept** for the introduction of innovative asset recovery tools and procedures.

Trust built during training has allowed to gradually grow the activity to include case work, whilst case work in turn has allowed a better **understanding of the very specific training needs** of our partner institutions. Connecting training to case work has also increased the **sustainability of training activities** because we are able to influence the choice of trainees in such a way that they are, when possible, matching the officials who are mentored as part of ICAR's case work. Embedding training activities in country programmes with in-country experts also often leads to **follow-on structured or ad hoc training demands and follow-up mentoring** with respect to legislative reform processes.

In essence, this modus operandi reflects the evolution of ICAR during the previous operational strategy. However, by not assigning individual weights to these three activity areas, we acknowledge the necessity to adapt country programmes to circumstances and over time. It also reinforces the aim to always work in all three fields in each country, as they are quintessentially complementary and jointly generate sustainability, while acknowledging that the distribution of activities should remain highly adaptable to meet the technical and political economy demands of the highly complex countries in which ICAR operates.

6 Asset recovery and global development challenges

Corruption is recognised as a major obstacle to the achievement of the SDGs. In turn, anti-corruption, and with it asset recovery as a key instrument in the fight against corruption, are essential enablers and multipliers of efforts to achieve the SDGs. ICAR's Theory of Change explicitly situates asset recovery as an avenue to achieve the SDGs.

Asset recovery on the one hand generates hard assets for investment into SDGs, and on the other hand generates a wide range of soft assets, all of which are part of the SDGs themselves. **Hard** assets are generated in the form of recovered stolen assets which can be an important boost to countries' efforts to mobilise resources to finance development. Indeed the use of recovered assets toward investments into the SDGs is an essential driver of international efforts to recover stolen assets. Hard assets are also generated because asset recovery acts as an effective deterrent to corruption, thereby preventing further misuse of public resources originally destined for investment into SDGs. **Soft** assets in turn are generated when strengthening the asset recover delivery chain leads to more investigative and prosecutorial capacity and better legal and institutional frameworks, which in turn

strengthens the rule of law, promotes transparency and accountability, and increases trust in government.

All of these objectives form part of SDG 16, which is where asset recovery has the most easily visible impact on sustainable development. However, beyond that, asset recovery as an essential part of anti-corruption also is an answer to the centrality of corruption to all pressing global development challenges. When government funds or aid monies are stolen through corruption, this money is lacking for efforts to reduce poverty (SDG 1), for investments in health systems (SDG 3), or for building schools and providing access to education (SDG 4), etc. When corruption is reduced as a result of asset recovery, the playing field for businesses is more level, thereby leading to more sustainable and equitable growth (SDG 8). Numerous such examples could be added to this list and are explained in a Working Paper published by the Basel Institute / ICAR.¹

In addition, corruption leads to and enables other crimes which directly hinder the achievement of the SDGs. This is particularly evident with so-called acquisitive crimes and all forms of crime that involve illicit trading, such as modern slavery and human trafficking and a wide range of environmental crimes.

Two of the currently most relevant global challenges, which have a direct impact on sustainable development in developing, middle income and developed countries alike, are used in the following sections to illustrate this inter-play between corruption and stolen assets and the SDGs.

6.1 Covid-19

The Covid-19 pandemic is causing extraordinary global challenges and disruption. According to the IMF, the resulting economic recession will be the worst since the Great Depression, and far worse than the 2008 Global Financial Crisis.² It is a health crisis and an economic crisis, but just as significantly it is a crisis of governance, rights, democracy and transparency. As with these previous crises, the poorest countries and the most vulnerable populations within them will be the most adversely affected. Current estimates suggest that Covid-19 will push up to 100 million people into extreme poverty.³

The magnitude of the development and poverty alleviation challenge will require governments, international institutions and donor agencies to release unprecedented levels of stimulus funds, loans and official development assistance. Recipient countries with weak accountability systems will be particularly vulnerable to the misuse and misappropriation of the aid and emergency funding.⁴ A recent paper by the World Bank suggests that aid disbursements to highly aid-dependent countries coincides with sharp increases in bank deposits in offshore financial centres.⁵ Further, the Covid-19 crisis will exacerbate corruption risks in the following interrelated ways:

- The global response to the Covid-19 crisis has invariably entailed an enhanced role for the state. This increases the risks for misuse of power, especially in countries with entrenched rent-seeking, patronage, and clientelism, as is the case with ICAR's low-income target countries.
- Increased budget allocations to social protection programmes and sectors will create greater opportunities for leakages and mismanagement of funds, not least since the distribution of goods and services often involves complex delivery chains.
- The need to conduct rapid procurements could result in the bypassing or breaking of public finance management systems and rules. Procurement related corruption could become more prevalent if there is a perception of decreased financial oversight on government spending.

¹ <https://www.baselgovernance.org/news/new-working-paper-recovering-assets-support-sdgs>

² <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

³ <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>

⁴ <https://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf>

⁵ <http://documents.worldbank.org/curated/en/493201582052636710/pdf/Elite-Capture-of-Foreign-Aid-Evidence-from-Offshore-Bank-Accounts.pdf>

- Government resources have been re-prioritised towards the Covid-19 response, which many fear will take resources away from anti-corruption and asset recovery value chains.
- Government measures to contain Covid-19 are impacting on the criminal economy. Corrupt officials are consequently adapting their methods to steal and hide their illicit wealth.

Asset recovery has a unique ability to address the two main challenges inherent in these likely consequences of Covid-19: First, it helps mobilise badly needed resources to respond to the crisis in the immediate term and in the long term when it comes to reinvigorating the economy and dealing with reduced tax income. The example of Kenya, where an initial USD 19 million in confiscated assets (and more currently being processed) have been earmarked for Covid-19 response operations, illustrates how asset recovery can have a tangible and direct impact. Second, asset recovery strengthens the striking force of the criminal justice system to deal with the raising levels of corruption as a result of the economic stimulus measures.

6.2 Environmental degradation

As disruptive as Covid-19 has been to the physical, economic and mental well-being of people around the world, it is important to also see it in the greater context of increased environmental degradation and its consequences. The current crisis mandates that development funding ought to be redirected towards the immediate health response. At the same time, similar such crises caused by the global environmental degradation, such as erratic and severe weather patterns, human and animal migration, crop yields and their associated food security, will cause the same or even greater challenges to the achievement of SDGs.

As with most if not all SDGs, corruption plays a key role in undermining the achievement of SDG 13 on climate action and other SDG goals related to the environment; corruption is indeed widely recognised as a powerful enabler of environmental degradation:

- Corruption enables illegal logging, wildlife trade and the unsustainable exploitation of natural resources by perverting the very regulatory checks put in place by environmental preservation efforts;
- Corruption undermines law enforcement efforts that seek to respond to environmental crime, both on a tactical and systemic level;
- Corruption weakens and diverts government policies developed to ensure environmental rehabilitation;
- Corruption mutates low-scale poaching, artisanal mining and subsistence logging into globe-spanning criminal enterprises with industrial-level detrimental impacts on the environment;
- Corruption allows the operation of illegal mines, trading in protected flora and fauna, illegal deforestation and other forms of unsustainable or criminal exploitation of natural resources; the possibility of laundering the proceeds makes such environmental crime an attractive prospect.

The critical role that asset recovery can play in reducing corruption as an enabler and indeed accelerator of environmental crime and resulting environmental degradation is already reflected in the Institute's cross-divisional Environmental crime and green governance programme. This programme utilizes, amongst others, the expertise of ICAR's financial investigators to introduce the concept of "follow the money" to law enforcement agencies tasked with tackling environmental crime. As our ongoing programme has shown, the investigative tools for environment-related financial crimes are not substantially different, but the awareness of the value of systematically prioritising asset recovery as part of the investigation is still highly underdeveloped, which results in a significant missed opportunity to use a key anti-corruption tool to tackle a major threat to the SDGs.

7 Implementation strategy

As clearly identifiable from the Theory of Change that underpins this operational strategy, ICAR's core mission is and will remain building capacity to recover stolen assets. Similarly – though with some adjustments to categorisation and weighing as described above – this operational strategy largely maintains outputs and activity areas from the previous operational strategy. Yet learnings from the past four years, developments in the global asset recovery debate, and the impact that the growth of ICAR – in reputation, size, and geographical reach – has had on our operational capacity call for the introduction of some innovations. These will help further increase impact and ensure the continued relevance of ICAR's work to sustain our existing achievements, while remaining responsive to a changing international environment, particularly with regard to the evolving COVID-19 pandemic and its impact.

The implementation of the changes in the way we operate and the broadening of scope can in parts be absorbed by existing core funding (at current levels) through re-prioritising of resources and work methods. Selected proposed new or modified activities will require additional core funding or project funding. Resource implications are highlighted in the following sections and summarised in section 8.

7.1 Scope

7.1.1 Stakeholders and themes

ICAR is committed to work with all stakeholders that play a role in the asset recovery value chain. This has in the past included Financial Intelligence Units (FIUs), investigating authorities (e.g. anti-corruption agencies), dedicated asset recovery entities of various kinds, the police, prosecuting authorities, as well as (but limited to integrated training activities) judicial authorities.

Under this operational strategy, we aim to further **deepen and broaden this chain-linked approach** by also engaging those actors that are not yet traditionally in the focus of asset recovery related assistance, such as those described below. Such wider programming is applicable to country-level engagement (and from there feeds into global learning and global policy advocacy) and will be determined based on country assessments and reviews as described in section 7.3.

7.1.1.1 Public institutions

With respect to the **public institutions in the asset recovery delivery chain**, the focus will be on adding capacity in the areas of asset management; more actively engaging with adjudicating bodies; seizing opportunities to further mainstream the follow-the-money approach in acquisitive or profit based crime:

a) Management of frozen and confiscated assets

ICAR partner countries increasingly request assistance in the area of managing frozen and confiscated assets. Despite the existence of a number of handbooks and trainings offered by other organisations, most countries still have highly inadequate, if not even non-existent, procedures and experience. The financial and legal risks, on the other hand, related to badly (or not) managed assets, in particular before they are subject to a final confiscation order, are very high.

Resource implications:

- Implemented by existing ICAR team members and through internal skills development
- No additional core funding required

b) Adjudicating bodies

Challenges of adjudicating bodies relate on the one hand to court procedures, which is not an asset recovery specific problem and is often covered by other technical assistance programmes. On the other hand, and more asset recovery specific, adjudicating bodies often have a very limited understanding of complex financial crime schemes. Further, proceeds of crime tends to be regarded as a niche area instead of being understood as impacting all forms of acquisitive or profit based crime. While we have in some cases managed to integrate judges into our training activities, most countries are far from the practice of making this area of law a regular part of judicial training, which is common in developed asset recovery jurisdictions. A lot more needs to be done in order for specialised asset recovery knowledge to reach this final and indeed crucial step in the asset recovery chain.

We will aim to fill this gap by more systematically integrating judges in ICAR training activities, and supporting the systematic integration of this field of law in regular training programmes for judges. In addition, we will advocate for the establishment, when feasible, of specialised benches or the designation of specialist judges dealing with asset recovery related cases.

Resource implications:

- Integrated effort by ICAR teams (field and HQ, case advice, training and legal/policy)
- No additional core funding required
- Potential high-intensity in-country activities to be funded through country project funds or partnership with pro bono experts.

c) Mainstreaming follow the money for acquisitive and profit based crimes

The follow-the-money approach is still far from being a standard method of investigation in dedicated anti-corruption agencies. Most other law enforcement agencies have an even lower degree of appreciation for the value of such method, let alone attempted to integrate it into their investigative practice. Yet all forms of acquisitive or profit based criminal activity, in particular when illicit trade is involved, is enormous. Furthermore, following the money as an investigative strategy in areas such as human trafficking and environmental crime related trafficking will be exponentially more effective in disrupting criminal networks and tackling the high-level organisers and profiteers of the criminal activity.

For this purpose, and when such approach is warranted due to an explicit request from partner countries or findings from country analytics, ICAR may bid for or develop country programmes which encompass anti-corruption measures that go beyond the original scope of ICAR's work (focused on corruption in public services and investment). This can consist of supporting asset recovery actors that take a sectoral anti-corruption and asset recovery approach. In any such option asset recovery must continue to be a core aspect of the programme, and partnerships with in-house experts or external partners are feasible and strategic rather than a mere factor of growth.

Resource implications:

- No additional core funding required (for pilot interventions)
- Country project funds to be raised if need is confirmed

7.1.1.2 Nonstate actors

In addition to the public institutions which are traditionally the focus of asset recovery technical assistance, **nonstate actors**, and in particular financial institutions and other non-financial businesses that fall under the anti-money laundering (AML) reporting obligations, play an important role in asset recovery, in particular when it comes to prevention and detection.

a) Reporting entities

Reporting entities are very rarely part of asset recovery oriented technical assistance programmes, except when it comes to supporting regulatory authorities in developing reporting regimes and developing supervision capacity. This is despite the fact that the quality of reporting of suspicious transactions is still far too low, partly because the understanding of what financial institutions can and should be reporting is often underdeveloped in both reporting and report-receiving institutions. In addition, intelligence sharing between these actors is largely non-existent. This is only an emerging practice even in more developed jurisdictions, but the experience of countries such as the UK are promising.

With more specialist capacity in this critical sector of asset recovery, ICAR will also be able to more actively engage with key standard setting bodies in this field, and in particular the FATF and regional FATF style bodies, which aligns with the outreach strategy toward the global north (see next section).

Resource implications:

- Pilot interventions funded through country project funds
- Additional core funding possibly required in years 2 or 3, depending on uptake

7.1.2 Regionalisation and outreach

The main geographic focus of ICAR's work will continue to be on developing and transition countries. Under this operational strategy, ICAR will work through regional clusters, as these have proven to increase our value-for-money (e.g. through reduced travel costs), enhance visibility and leverage, generate synergies between our work programmes and foster regional cooperation and South-South learning. Regional clusters also allow for the possibility of a soft exit or entry phase. This regionalisation effort will be supported by the creation of regional training centres / partners, as described in the following section.

7.1.2.1 Strengthening regional clusters

At present, ICAR is highly visible, present and has leverage in Latin America and Eastern and Southern Africa; these clusters will be further strengthened by building stronger regional management and operational structures as follows:

a) Latin America:

With a continuously growing work load in Latin America, we plan to re-structure and strengthen the Latin America team.

Resource implications:

- Additional core funding required for regional programme manager
- Fundraising for additional Sr Asset Recovery advisor(s) through regional or country programs

b) East and Southern Africa:

This region has seen a growing inter-connectedness of our country programmes and a substantial increase of cross-country operational activities. It is also the region in which ICAR implements its largest country programmes. In order to further foster this development and gradually include new partner countries in the regional cluster, we will aim to apply a set of structural measures over the course of this operational strategy and include a cost-neutral light-touch support to regional networks.

Large country programmes will be headed by an in-country team leader (already in place in Malawi and Mozambique). When programmes include substantial administrative components such as strategic funds, procurement of ad hoc services, expertise and goods, and organisation of workshops, a local project officer will support these activities (currently in place in Malawi). In addition,

we will gradually re-orient the existing ICAR Kenya (EACC) position (no longer funded by DFID Kenya) toward a mixed Kenya-EACC/ regional role to include cross-country operational case work and act as outreach leader for new country engagements. Greater engagement with regional networks, and in particular Asset Recovery Inter-Agency Network for Eastern Africa (ARINEA) will be covered through in-country experts.

Resource implications:

- Additional core funding required to fund and re-orient existing Kenya EACC position
- In-country team leaders and project officers for large country programmes funded through country project funds
- Support to ARINEA through existing in-country experts; fundraising among regional donors for ARINEA operational expenses.

7.1.2.2 Global growth and outreach

Beyond strengthening existing regional structures, the new operational strategy clearly sets the goal for ICAR to evolve into a truly global player in the field of asset recovery. This is in line with the recommendation from the external review to consider (controlled) growth in order to cope with continuously high demand and to fully exploit the potential of ICAR's operational approach for the benefit of more countries. It also takes into account the issue identified in the external report of ICAR's limited visibility in emerging and developed countries and global and regional financial centres, which can negatively impact the effectiveness of ICAR's work in the area of case advice and global policy. As a consequence, ICAR will test engagement in one new regional cluster (South East Asia) and further strengthen its ties with the Global North.

a) South-East Asia

Countries from the Asia-Pacific region, and South-East Asia in particular, are typically underrepresented and comparatively inactive in global policy forums on asset recovery, with a few notable exceptions (China PR, Hong Kong China, Indonesia, Malaysia, Singapore and Sri Lanka). Significant political transformations are taking place in this region, even though asset recovery as an aspect of transformational justice is not widely present. In addition, ICAR has been approached by a growing number of jurisdictions from this region, in particular - notably – by emerging middle-income economies which are often both victims of corruption as well as financial centres through which assets from abroad are laundered. So far ICAR however has only few activities in this region.

Under this operational strategy, and subject to funding, ICAR would like to explore the possibility of expanding in the South-East Asian region. This decision is strongly supported by at least two leading asset recovery jurisdictions in the region who have expressed interest in partnering with ICAR. This outreach strategy would be driven by the creation of a regional asset recovery advisor and coordination position and a partnership with a regional training centre through a Train-the-Trainer programme. This approach of building on access through training combined with ad hoc case advice is a mirror of ICAR's early development stages which pre-date the previous operational strategy and which have served well as both a cost-effective and context sensitive, staged approach to potential growth and expansion. In addition to addressing capacity gaps in asset recovery in the region's low income countries, the Asia-Pacific region also bears great potential with respect to facilitating asset recovery in other ICAR partner countries, notably in Africa where corrupt officials are frequently found to launder stolen assets through the Asia-Pacific region. A key success factor in this region, due to its geographical distance from HQ and regional socio-political specificities will be the regional presence and the partnership with a respected local player.

Resource implications:

- Core funding required for 1 regional asset recovery advisor / coordinator for an initial 2-year pilot period.

b) Global North

ICAR’s operational network in key financial centres is strong but continues to rely primarily on its team’s personal networks. In addition, the partnership with the International Anti-Corruption Coordination Centre (IACCC), only just emerging during the previous operational strategy, has proven to be valuable for ICAR and its partner countries. The IACCC’s activities are highly complementary to ICAR’s work in the field, and cooperation with IACCC has in many instances allowed to speed up procedures and rapidly gain support from and interest in certain cases by multiple jurisdictions. The Egmont Group of FIUs has also been a long-standing partner for ICAR, though mostly focused on training activities and the partnership has come to a stand-still since they have established ECOFEL. On the other hand, and as also noted by the external review, ICAR has not yet made sufficient use of other relevant networks, especially those grouping key financial centres, and some regional networks (as noted above) are not sufficiently operations oriented to add value to ICAR’s case work.

Under the new operational strategy, more effort will be made to strengthen our partnerships with regional networks of financial centres, with a particular emphasis on the Camden Asset Recovery Inter-agency Network, CARIN (through the aspired ‘Associate Status’) and Interpol (through a renewal and greater activation of the existing Memorandum of Understanding).

Resource implications:

- Can be covered through shifting of priorities among existing ICAR HQ staff.
- No additional core funding required

7.2 Activities

7.2.1 Technical assistance

Through the implementation of technical assistance activities as described in the following sections and which are weighed at around 80% of ICAR’s 2021-24 expected impact (see section 5), we aim to evolve as an institution in such a way that we can deepen and broaden our engagement with a view to achieving more sustainable impact. The evolution is depicted in figures 2 and 3 below:

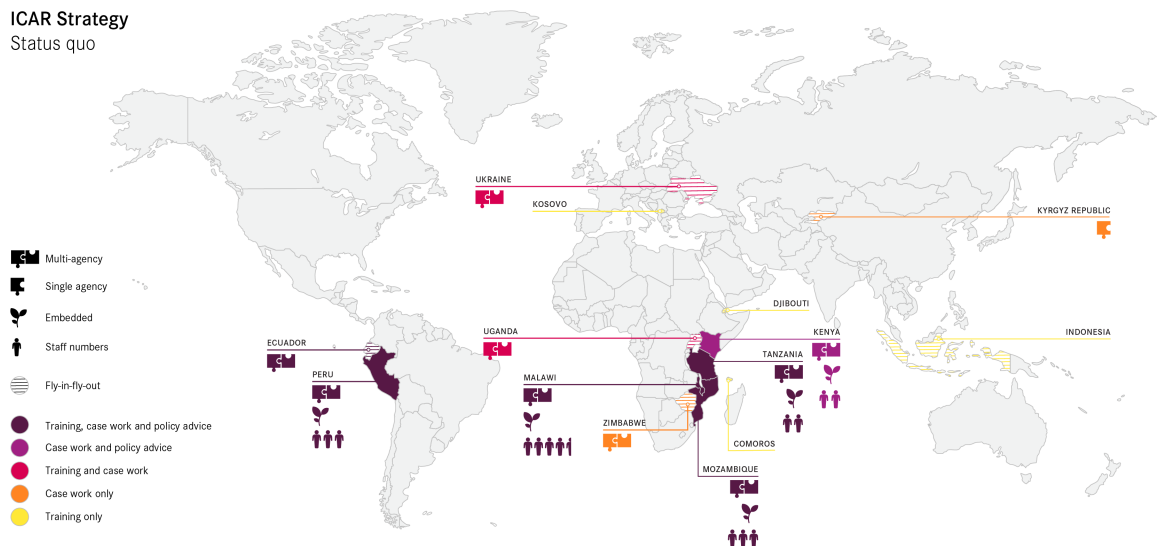


Figure 2: 2019 ICAR technical assistance programs (scope, reach, implementation method)

ICAR Strategy
Future

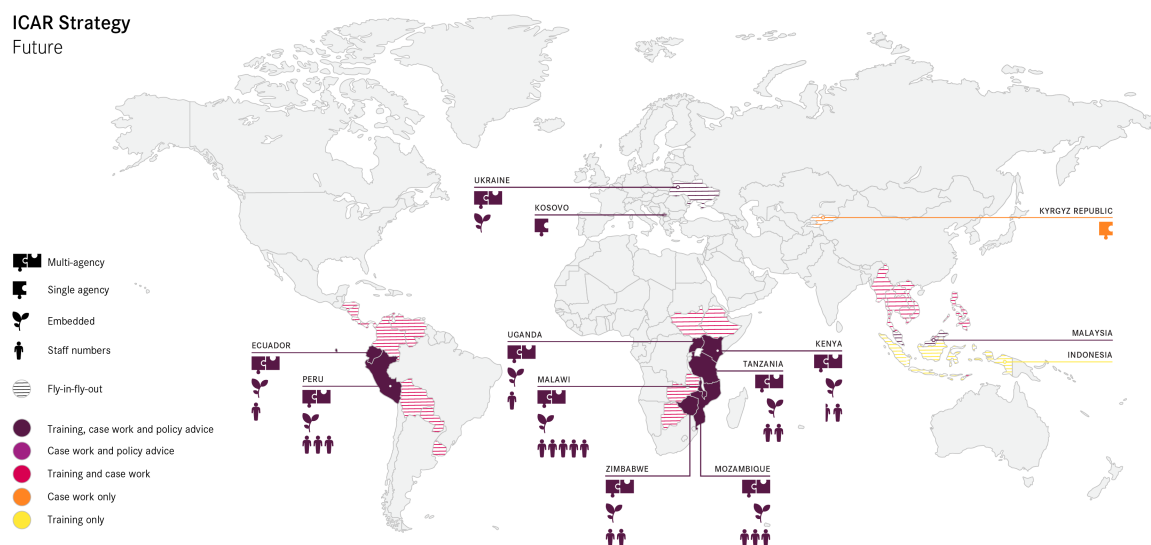


Figure 3: 2024 vision ICAR technical assistance programs (scope, reach, implementation method)

7.2.1.1 Case advice

Case advice continues to be a key product of ICAR, and the delivery models will continue to be through embedded experts and fly-in-fly-out. Both models have proven their relevance during the implementation of the previous operational strategy depending on context, and the decision-making criteria applied (see table 1) will therefore remain the same. As experienced in the past, in some cases a mix of both models can be useful either when cases are of particularly sensitive nature and thus heightened HQ supervision is advised, or because additional expertise was required which could not be covered by the in-country expert(s).

Decision criteria	Fly-in-Fly-out	Embedded
Level of in-country expertise high	X	
Level of in-country expertise low		X
Complexity of legal and investigative work high		X Possibly combined with Fly-in-Fly-out
Complexity of legal and investigative work low	X	
Potential case load high		X
Potential case load low	X	
Available funding high		X
Available funding low	X	

Table 1: Decision-making chart for case advice delivery model

Under the new operational strategy, regional structures as described above will further allow to build on pilot projects during the previous strategy which consisted of “exchanging” embedded experts between countries in order to accommodate for ad hoc needs of expertise of a particular kind. This ties in with the regionalisation strategy and provides additional value-for-money.

ICAR will continue to encourage its partner countries to address cases of all sizes with ICAR experts, aiming to strike a balance between high-profile cases (typically involving significant amounts of money), which will eventually result in significant returns but which take time and require enhanced levels of expertise, and lower-profile cases including of domestic nature, which are less exposed to the risk of political influencing. The latter have proven to be highly useful to train up investigators and prosecutors. They also often present a good opportunity to encourage partner countries to test new or underused legal provisions and investigative tools, which is an explicit aim of ICAR's case work.

The success of cases will continue to depend on some factors that are outside the direct control of ICAR. These include for example the local political context, the quality of laws and the readiness and efficiency of other jurisdictions in international cooperation. The adjustments to the Theory of Change with respect to flexibility in terms of weighting of different intervention lines and the strengthening of links between case advice, legal/policy and global policy, as well as the enhanced focus on learning as a cross-cutting theme, are key to balance these risks and to increase its long-term impact and sustainability beyond individual cases.

Resource implications:

- No additional core funding required.
- New programmes with embedded experts to be implemented subject to successful fundraising for country project funds.

7.2.1.2 Training

The training activities will continue to put a strong emphasis on tailor-made, practice oriented in-person training. The value of these in-person training sessions has been confirmed over the past few years, noted as particularly valuable by the external review and praised as unique by trainees and partner agencies alike. Modules for in-person training are continuously updated and adjusted, and new thematic areas will be added during the new operational strategy.

In order to increase the reach and output of the training team, and to increase flexibility and speed in the delivery of trainings, four key innovations will be introduced or strengthened during the new operational strategy.

On the one hand, we will increasingly diversify the available delivery modes by increasing the number of mixed on-line / in person modules and complementing the existing self-paced e-learning with moderated online learning modules. We see a number of advantages in **diversifying the ways in which training can be delivered**. For example, they prove useful for refresher training when trainees and trainers are well acquainted from previous in-person training. They allow for temporary delivery adjustments when mobility is restricted due to situations such as the covid-19 pandemic. They can also offer cost-effective means for introductory modules when trainees are widely spread in a jurisdiction, or for regional training when in-person delivery is not possible due to resource constraints. And they would allow us to cater for the increasing number of requests for asset recovery training from middle- and high-income countries where costs need to be carried by the trainees or their institutions.

This work has already started during 2020, including through the set-up of a dedicated learning platform which caters for a wide range of online delivery modes and by testing different programmes for video-led training. The first online training modules delivered by the training team have been very well received, but they have also shown clear limitations, in particular when it comes to the tried and tested practice oriented delivery mode practiced by ICAR. It is, for example, possible, but far from desirable, to facilitate through video conferencing the work of sub-groups on a practical case scenario. Further, training activity requiring translation have not yet been tested through the online platform and this may prove to be particularly difficult. Online delivery of training modules also severely restricts the personal interaction which is critical for long-term relationship building.

Notwithstanding these limitations, whenever feasible new training modules will henceforward be developed in such a way that they allow for both in-person and online or mixed training. Work is already on-going, and will continue, to re-design existing in-person training modules so as to allow for online or mixed delivery too.

Secondly, the new operational strategy will seek to enhance coordination and thereby facilitate the delivery of country-specific **ad hoc training modules by in-country experts**. Especially during 2019 and 2020, partner countries have expressed great demand for such ad hoc training delivery and introductory / awareness raising training, and value-for-money dictates that they are better delivered by in-country experts where such are available. These training sessions are less time consuming in terms of preparation and while less sophisticated than the full-fledged ICAR training modules they are often suitable for the given context and need. As the number of such training sessions being delivered continues to grow, quality assurance systems will need to be built up.

For this, we will rely on the learning platform. Primarily set up for the delivery of online or mixed modules, it will also cater as a repository of ad hoc training material developed by members of the ICAR team. Over time, these will be combined into a set of essential basic training modules. These standardised short modules will allow us to ensure that the quality and messaging of ICAR training is consistent, whilst also being flexible enough to be adapted to partner countries' individual needs. This effort combined with the management of the learning platform for training delivery is part of the cross-cutting activity "Learning and Global Advocacy" (see section 7.2.2.) and will require 1-2 additional staff at HQ, for the management and creation of learning content on the one hand, and for the IT / technical handling of the platform on the other hand.

In terms of target countries, ICAR will continue to pursue a strategy of **integration** which is further reinforced by the revised Theory of Change presented in section 4. As such, it is expected that at least 60% of training activities will focus on countries where ICAR implements a multi-year programme of work which includes case advice. The advantages of this strategy have been clearly identified as being able to nurture specialists who can apply training content to mentored case work, which significantly increases the sustainability of both case advice and training.

In parallel, and in line with the strategic objectives of regionalisation and outreach to new regions, ICAR will seek to establish up to three **regional training hubs** in partnership with a leading local training/anti-corruption authority. The ICAR team will train local trainers in each of these centres through the traditional Train-the-Trainer approach, with the intention that the delivery of high-quality ICAR training can be multiplied without burdening ICAR HQs training team and travel budgets disproportionately. The transfer of knowledge is an added value of this approach, with significant expected impact on long-term sustainability. Quality control concepts will be developed as part of this development, including regular delivery of trainings in the presence of and with mentoring by HQ based ICAR trainers. It is hoped that the (staff and delivery) costs of trainings delivered through these regional training centres can at least in parts be carried by the local partner organisation, as such increasing regional and localised ownership for ICAR's programme of work.

Resource implications:

- Additional core funding required for 1 new HQ based position (learning platform and global advocacy/policy, see 7.2.2. below) and 1 additional part time IT support position.
- Additional core funding for additional training team member to be considered after 12-18 months.

7.2.1.3 Legal and institutional reform

As per the revised Theory of Change, the provision of advice and guidance on legal and institutional reform will remain an integral part of ICAR's offer. The focus will remain on providing such advice **as part of our multi-faceted country programmes**, with no proactive efforts (e.g. by tendering for small advisory projects of this kind) with respect to ad hoc advice on legislative drafting or policy development. This clear delineation of our work in this area is reflective of our unique offer (case advice and combined case-training-legal/institutional reform) and helps avoid duplication or wasteful competition with other assistance providers. Where we do provide legal and institutional reform advice, the quality of the advice provided can be of higher standard than other short-term consultants and advisors due to our unique access to and understanding of partner countries.

The ability to provide such integrated legal and institutional reform advice will benefit from the enhanced emphasis under this operational strategy on internal and cross-project learning, and from

the widening of our thematic reach (see section 7.1). The targeted areas for thematic expansion are largely under-developed from an asset recovery specific perspective, and partner agencies will thus require significant guidance and assistance in developing procedures and policies, introducing working tools and fixing legislative problems. As such it is expected that the amount of work in this area will increase during the implementation of the new operational strategy despite the continued focus on integrating legal and institutional advice with existing multi-faceted country programmes.

Resource implications:

- Additional core funding required for 1 new HQ based position (learning platform and global advocacy/policy, see 7.2.2. below)

7.2.2 Learning and Global Advocacy

ICAR's work over the past four years consisted first and foremost of technical assistance in its partner countries, with limited outputs and objectives in relation to publications and knowledge dissemination or global advocacy. Whilst the three main areas of technical assistance described in section 6.2. above will continue to be our core activities, they will be supported by and feed into an enhanced emphasis on learning, knowledge dissemination and global advocacy as a cross-cutting activity area.

This renewed emphasis is grounded in the realisation that ICAR, through this country-specific hands-on work, has a unique and contextually grounded understanding of the barriers to effective asset recovery from which others should benefit more. In addition, as ICAR has grown and works in a multitude of jurisdictions, with a multi-faceted team of experts from a wide range of legal and institutional backgrounds, a wealth of knowledge and experiences is available that must be put to better use both internally and externally. This must more frequently again be seen and used as an opportunity to analyse and generate knowledge, such as diagnostics, how-to notes, process maps, best practice notes, policy briefs, etc. In addition, ICAR will seek to utilize emerging techniques and research methods, in particular (social and criminal) network analysis, to draw lessons (from insights into case work and case files) about the functioning of corruption networks. ICAR will also continue to publish and disseminate existing global policy and investigation tools such as the Basel AML Index or the Basel Open Intelligence research tool, and when need and opportunities are identified consider their further development or new products of a similar nature. Finally, the (internal) country studies introduced with this operational strategy (see section 7.3.) will allow to spin off multiple external knowledge products such as comparative analysis or country studies.

Such ICAR knowledge products should serve to inspire innovative asset recovery practices in our partner countries, but also to influence practice and policy in other countries and global policy developments. As they are anchored in day-to-day anti-corruption practice more so than for any other organisation in our field, the resulting proposals for enhancing the asset recovery practice are both more relevant and more actionable than when such proposals are made based on academic debate and theory. For this reason, our inputs are often seen as particularly credible. In addition, and by virtue of being an independent not-for-profit organisation, ICAR is sometimes better placed than other organisations to raise new (and sometimes controversial) ideas that require states to push their boundaries in terms of laws and practices.

In all this, and although ICAR is a non-state actor by definition, we distinguish ourselves from traditional advocacy oriented civil society organisations as we argue on technical grounds and from the perspective of practitioners. On the flipside, and while our global reputation gives us more convening power than would be expected for an organisation of our size, ICAR does of course not have the same convening power as organisations like UNODC or StAR. Therefore, continuing to forge smart partnerships – see section 7.4. below – will be an important aspect of ensuring that our accumulated knowledge has the widest possible reach.

Whilst the majority of knowledge will come from our asset recovery specialists, the analysis and compilation of knowledge products will require additional resources, including in the form of continued investment in the learning platform which also serves the training dissemination (see earlier sections) and the hiring of a policy specialist and/or knowledge manager.

Resource implications:

- Internal learning processes
- Additional core funding required for 1 new HQ based position (learning platform and global advocacy/policy, see 7.2.2. above)

7.3 Engagement procedures

As noted in the external review, decisions taken by ICAR management about engagement in new projects, countries or programmes are well thought through, but the decision-making process and the foundation on which decisions are taken are rarely documented. The external review has also noted that ICAR typically possesses unique insight into countries' political, legal and institutional context for asset recovery, but this knowledge is not always structured and is available in a multitude of documents. This creates a number of risks and deprives ICAR donors and management of valuable steering instruments.

As a consequence, the new operational strategy foresees the systematic assessment of ICAR partner countries with a view to steer, review, document and adjust our engagement. During 2020, a template structure for such country assessments is being piloted for one new engagement and one on-going programme. The country assessment will encompass a detailed analysis of the country's legal and institutional set-up for asset recovery, a training needs assessment section, a section on the political economy context for anti-corruption and asset recovery (reform) and a risk section.

The reports are drafted primarily for internal (and donor) consumption and steering, but it is hoped that with sufficient (human) resources, a number of sub-products can be extracted for wider dissemination feeding into the cross-cutting learning and global advocacy work.

Resource implications:

- Existing core funding to be used for part time position of PE analyst (in-house Basel Institute)
- Co-funded through country project funds for use of in-country experts

7.4 Partnerships

We distinguish between three categories of partners:

The **operational partners** for case work are regional asset recovery and law enforcement networks. On the one hand, these are networks that group financial centres (as described in section 7.1.2.2.), and partnership aims at facilitating our partner countries' case work, in particular where international cooperation is required for sharing of intelligence or the execution of MLA requests. On the other hand, and where such opportunities arise, ICAR will be available to support regional "CARIN-style networks" as, when set-up properly, they bear great potential. For training activities, key partnerships will be those established in the context of developing regional training hubs as described in section 7.1.2.1. above.

A second category of partnerships is aimed at **enhancing our leverage with respect to global policy influencing**. Target organisations in this respect are the Financial Action Task Force (FATF), the Organisation for Economic Cooperation and Development (OECD) (with which the Basel Institute and ICAR have a long standing and close working relationship and a Memorandum of Understanding) and the G20 Working Group, in addition to the existing membership in the UN Crime Prevention and Criminal Justice Programme Network (PNI) of the UN Office on Drugs and Crime (UNODC) through which we have observer status access to the UNCAC working groups and proceedings.

A third category is that of implementing partners. These can be other not-for-profit organisations (including other divisions of the Basel Institute) specialised in areas tangentially targeted by ICAR programmes but where investment in in-house capacity is not considered good Value for Money. They can also be for-profit technical assistance implementing agencies in the context of consortium bids for large technical assistance programmes. Whilst bidding for such programmes is not the

priority for ICAR, such partnerships can occasionally be necessary and useful when donors tender programmes with a significant asset recovery component in countries in which ICAR is already operational (for the sake of consistency and coordination) or which have requested ICAR assistance or where the services foreseen fall squarely within the ICAR operational strategy. Consortium partnerships will only be considered if ICAR is given full control over the asset recovery component so as not to be forced to deviate from its operational approach for commercial or other undue reasons.

Resource implications:

- No additional core funding required

8 Sustainability

ICAR's approach to sustainability has been informed by the learning and implementation experience accumulated during the previous operational strategy and with the recommendations of the external review. While sustainability has always been a central component of ICAR's core activities - in technical assistance, learning and global advocacy - this Operational Strategy represents an evolution of ICAR's approach. Sustainability has been mainstreamed throughout this Operational Strategy, with major factors influencing the achievement or non-achievement of sustainability captured in the Lessons Learned (see section 4), incorporated within the revised Theory of Change (see section 5), and reinforced by the proposed Implementation Strategy (see section 7). This section aims to tie together the sustainability strategies applied across ICAR's intervention areas, identifying how application of the Operational Strategy 2021-24 will reinforce the sustainability of current – and future – ICAR interventions.

The DAC Principles for Evaluation of Development Assistance state that sustainability “is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn”, and suggests that the “major factors which influenced the achievement or non-achievement of sustainability of the programme or project” be identified.⁶ The ICAR external review identified the key factors influencing the effectiveness of ICAR programming as the exceptional quality of ICAR staff with practitioners across all our activity areas, the focus on long-term engagements instead of ad hoc activities, the embedded expert model, and ICAR's adaptability and flexibility (see Lessons Learned section 4). It is on these pillars that the sustainability of ICAR's interventions are based, underpinned by the mutually reinforcing and interconnected categories of technical assistance, learning and global advocacy, outlined in our Theory of Change (see section 5), and the quintessential complementarity of ICAR's training, case advice and legal/institutional strengthening at the country level.

While the overall sustainability of ICAR activities in any particular country context will always remain contingent upon the specific technical and political economy country context within which ICAR interventions are being conducted, ICAR has adjusted the mix of activities depending on context. ICAR's adaptive implementation model seeks to maximise the sustainability of ICAR interventions. To illustrate how ICAR's approach maximises the sustainability of interventions, we must consider the sustainability considerations employed at the (i). pre-implementation phase; (ii). implementation phase; and (iii). exit phases of ICAR's technical assistance. This is further underlined by an emphasis of the success factors identified in the external review as influencing the effectiveness of ICAR programmes in each phase of our programming.

8.1 Pre-implementation phase

On receiving a credible assistance request from a potential partner country, ICAR conducts a robust country assessment. The basis for this country assessment is twofold: To ensure that ICAR's

⁶ DAC criteria for evaluating development assistance: <https://www.oecd.org/dac/evaluation/49756382.pdf>

interventions are targeting appropriate requesting countries by determining that the requesting country has a real commitment to recovering stolen assets; and to ensure that ICAR interventions will be appropriate to tackling the observed challenges of the requesting country's ability to recover stolen assets. Effective conduct of the country assessment establishes the pre-conditions for the introduction of the key factors identified as influencing the effectiveness – and therefore the sustainability - of ICAR programming.

Prior to any significant ICAR material investment in support to a requesting country, the requesting countries must be able to convincingly demonstrate a commitment to strengthening asset recovery mechanisms, and a willingness to address bottlenecks impeding case progression and adopt new ways of working. If the requesting country can demonstrate – or is deemed likely to demonstrate - this commitment, the country assessment will include an analysis of the potential value of assets that can be traced, frozen, and confiscated to assess the potential return on investment; the presence of other governance or anti-corruption reform programmes which could complement or multiply the impact of ICAR's technical assistance; and the availability to funding to deliver the technical assistance within the requesting jurisdiction.

Completion of the country assessment ensures that if ICAR is to make an intervention, this intervention will be right-sized to the context and the needs of the requesting country's ability to recover stolen assets. While some criteria do create very real tests for partner countries to demonstrate true demand for an ICAR deployment, such as the signing of a Case Consultancy Agreement (CCA) and access to case files, this country assessment ensures that only those countries which demonstrate a credible commitment to asset recovery will successfully secure ICAR engagement. As a result, the level of support ICAR may offer will be proportionate to the level of disclosure and access formally agreed with the requesting country. This process-oriented pre-implementation engagement strategy not only ensures the application of a value for money (VfM) based approach, but establishes the necessary expectations, relationships, and written agreements to manage partner agencies' and partner countries' expectations. Application of the country assessment at the pre-implementation phase establishes the basis for sustainable intervention with a long-term perspective. To strengthen understanding of the pre-implementation engagement strategy, ICAR has committed to a clear documentation process of this country assessment in this Operational Strategy.

8.2 Implementation phase

As outlined in section 7.1. (programming and scope), ICAR adjusts the mix of activities depending on contextual factors driving the intervention, including buy-in and demand, variations in the type and maturity of the domestic legal and institutional framework, and existing technical assistance programmes. These factors, coupled with the availability of resources, will determine the mix of case advice, training, and legal and institutional reform available to the requesting country.

If case advice is to be a component of ICAR assistance to the requesting country, a central consideration already at the pre-implementation phase will be whether an embedded or fly-in-fly-out technical adviser case advice delivery model will be appropriate. As outlined in Technical Assistance (see section 7.2.1.), right-fitting the case advice delivery model to the context is contingent on a set of decision criteria to ensure that technical expertise resources are context appropriate. As noted in the external review, the methodology applied by ICAR, the use of embedded advisors, the deployment of high-level experts in asset recovery and the experience gathered in years of work on the ground have been named among the key success elements for sustainability of ICAR intervention. This finding is underlined by Lessons Learned (see section 4), in case advice, suggesting ICAR advisers balance support between high-profile cases and smaller cases to strengthen sustainable impact when it comes to building skills, confidence and precedent in partner agencies. Case work is also key to pilot new tools and working methods, as well as an essential source of information and analysis when it comes to identifying gaps to be addressed through institutional or legislative reform.

As noted in the Theory of Change (section 5), connecting training to case work has also increased the sustainability of training activities because ICAR is able to influence the choice of trainees so that they are, when possible, matching the officials which are mentored by ICAR. Sustainability of ICAR training activities is further optimised through the Train-the-Trainer programme, as for example

implemented in Tanzania and envisaged for expansion through regional partners under this new Operational Strategy. Adding to this is the ongoing monitoring and evaluation of ICAR training participants in their uptake and application of the knowledge, skills and practices acquired through ICAR trainings. As a final linkage in the application of ICAR's chain linked approach to asset recovery, the implementation phase – particularly in long-term country programmes – enables ICAR to utilise case work as well as training experience to advise on context sensitive legislative and institutional reform. The sustainability of these interventions can be further reinforced through operational and implementing partnership (see section 7.4.), strengthening the asset recovery components of related legal reform or anti-corruption programming in countries where ICAR is already operational.

ICAR technical experts are uniquely well positioned to establish strong, long term relationships with the staff of partner agencies. Based on the provision of targeted technical assistance through the expertise of the ICAR technical advisers with the local contextual understanding of asset recovery challenges and the authority and inherent long-term perspectives of ICAR's formal agreements with partner countries and partner agencies, ICAR technical experts establish working relationships with the staff of partner agencies – from the heads of institution level, to middle management and relatively junior staff - depending on the mix of ICAR's work in any particular context. As a result, there are numerous instances of mentorship relationships being established between ICAR technical experts and the staff of partner agencies. This is a powerful force for change, with agency leaders engaging on strategic and international cooperation issues with ICAR experts, which they would be unlikely to pursue with counterparts within their own agencies. With junior – or middle ranking – staff of partner agencies, there have been numerous instances of counterparts acquired skills and expertise as a result of ICAR interventions at relatively early stage of their career, and over time, rising through the ranks of their agency, only to find themselves in relatively influential positions were they can move the dial on asset recovery within their respective country contexts.

8.3 Exit phase

As highlighted earlier, the capacity to recover stolen assets, especially in developing countries, continues to be low. However individual ICAR partner countries have certainly made headway in addressing at least some asset recovery challenges within their country contexts. In general, ICAR will exit a context in three circumstances; (i). when a country context is not making progress, or a negative political change means that ICAR's work is no longer tenable; (ii). when funding is no longer available and a sufficient level of intensity of support necessary to achieve sustainable results is no longer viable; and (iii). when the country has achieved a level of technical capacity which means that ICAR's technical assistance would be better applied elsewhere. A soft exit strategy in this third option may involve reducing engagement, for example by reprogramming from a full-term embedded expert position to a fly-in-fly-out form of support. The sustainability strategy to be applied during the exit phase will depend on the country context and review of the original country assessment, the work undertaken during the implementation phase, and the partner country priorities and/or basis for exit.

As ICAR has mainstreamed sustainability in the technical assistance delivered to requesting countries, the sustainability of ICAR interventions will remain contingent on the ownership and political will of partner agencies in requesting countries. However, the Operational Strategy 2021-24 has been designed to supplement and reinforce the sustainability of current – and future – ICAR interventions. This is particularly evident in the linkages between high performing ICAR countries and those with a weaker asset recovery response in the regionalisation aspects, engagement procedures, and partnerships of the Implementation Strategy.

9 Resources

A large majority of ICAR funds are invested in human resources, as knowledge and expertise are ICAR's most valuable resource and service offer. A small portion of ICAR funds go toward travel, technology and overhead. Under the budget for the operational strategy 2021-24 as presented in section 9.2. below, the distribution of cost remains stable and as follows (figures rounded):

- 33% personnel costs HQs
- 30% personnel costs field staff
- 20% reimbursed expenses (field staff allowances, project related travel and expenses)
- 5% travel, PR and publications.
- 12% overhead

9.1 Human resources

Staff category	2020	2021-24
Headquarter		
Management and M&E	4 FTE	4-5 FTE
Training team	4.2 FTE	4.2 FTE
Case and intelligence team	3.8 FTE	3.8 FTE
IT, e-learning and tools	2.5 FTE	3 FTE
Research, global policy and	1 FTE	2 FTE
Field staff		
Peru/Latin America regional	3 FTE	4 FTE
Ecuador	1.5 FTE	1.5 FTE
East Africa regional	0 FTE	0.5 FTE
Kenya	2 FTE	1.5 FTE
Malawi	4.5 FTE	4.5 FTE
Mozambique	3 FTE	3 FTE
Tanzania	2 FTE	2 FTE
Uganda	0.4 FTE	1 FTE
South East Asia	0 FTE	1 FTE
Ad hoc experts	0.5 FTE	1 FTE

9.2 Implementation budget (annual, at full capacity)

Income	8'395'830
Core contributions	3'900'000
Core contributions (new commitments by existing and/or new donors)	3'750'000
Carry over of underspend from previous years	150'000
Project income (fees Basel payroll, services and OH recovery)	1'185'270
Tools and services (BOI, AML Index)	200'000
Project OH recovery and HQ staff	985'270
Project income (salaries field staff)	1'660'560
In-country programs	1'490'560
Fly-in-fly-out	170'000
Reimbursed travel, allowances and other expenses	1'650'000
Expenditures (before overhead)	-8'395'830
Personnel costs	-5'400'830
Headquarters	-2'595'900
Field staff	-2'640'930
Other personnel costs	-89'000
Services rendered by third parties	-75'000
Expenditures	-1'995'000
Project admin expenses	-55'000
Reimbursed travel, allowances and other expenses	-1'650'000
Core funded travel and other expenses	-210'000
Publications	-20'000
PR, networking, fundraising (Intl. Events, policy workshops)	-60'000
Overhead	-1'000'000

10 Risks

ICAR’s work is exposed to a number of significant risks. These include risks to the health and safety of our staff, who are either permanently located in foreign jurisdictions or travelling frequently; this risk has been further exacerbated by the uncertainty of the Covid-19 pandemic and its on-going impact. Other risks are related to the political context in which we operate, of legal or reputational nature, or are concerned with more mundane matters such as funding levels and staff quality. The evolution of these risks continues to be standing item for discussion during half-yearly donor meetings (see section 11.2.).

Major generic risks, which we believe will be applicable for the duration (and beyond) of this operational strategy as well as Covid-19 specific risks are described below, together with mitigation strategies.

In addition, ICAR falls under the Security Policy and Guidelines and the Risk Management Policy of the Basel Institute, a dedicated security focal point and an alert escalation system has been put in place, and reporting on risks is a standing item in the meetings of the Board of the Basel Institute.

10.1 Generic key risks

Risk	Mitigation
Health and safety of embedded staff	<ul style="list-style-type: none"> • Retaining of security advisory firm to conduct regular security checks, advise on secure housing and changing levels of in-country security • Provision of safe vehicles (and drivers), fast response alarm systems • Allowance for comprehensive health insurance • Accommodation allowance to ensure safe and adequate housing • Death in service insurance • Close coordination with embassies of ICAR core donors / project donors • Weekly in-person reporting to ICAR HQ supervising asset recovery specialist includes risk checks as a standing agenda item
Travel related risks	<ul style="list-style-type: none"> • Comprehensive corporate insurance for travel related risks • Monitoring of travel advisories of core donors and other major jurisdictions
Staff quality assurance / recruitment and retaining high-quality staff	<ul style="list-style-type: none"> • Competitive salaries and benefits • Opportunities for on-the-job and peer-to-peer learning • Performance appraisals • Maintaining a track record and reputation for excellence in the field
Legal risks (esp. arising from case work)	<ul style="list-style-type: none"> • Case consultancy agreements containing provisions protecting from prosecution, clarifying termination and dispute resolution mechanisms • Corporate professional indemnity insurance
Compliance risks	<ul style="list-style-type: none"> • Code of Ethics and regular refresher courses • Strengthened project management function at HQ and at field level
Reputational risks/political manipulation	<ul style="list-style-type: none"> • Regular review of country assessments (new tool) • Close coordination with local missions/embassies of ICAR core donors / project donors and other local TA providers • Regular high-level personal contact with Heads of agencies / AGOs etc.
Loss of uniqueness	<ul style="list-style-type: none"> • Close contact with donors

Donor funds are diverted Multi-year sole source grants become rare	<ul style="list-style-type: none"> • Strengthening M&E systems • Highest level of care in recruitment • Close monitoring of strict adherence to ICAR's core mission / unique value proposition • Active external communications • Renewed emphasis on donor diversification for core and project funds
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Table 2: Key risks impacting on implementation of operational strategy 2021-24

10.2 Covid-19 specific risks

The Covid-19 specific risks at country level depend to a significant degree on the evolution of the pandemic in the local contexts, with others applying more broadly to global operations and thus depending on the pandemic's global evolution and the recovery of the global economy and mobility. In the following the risks and related mitigation measures are describe under the two scenarios of severe and moderate lockdown measures:

Severe social distancing measures and travel restrictions, including lockdowns

Risks	Mitigation
Slowdown in cases due to: <ul style="list-style-type: none"> • Challenges to interview witnesses and conduct searches and seizures • Courts operational for emergency matters only • Procedural deadlines are not met 	<ul style="list-style-type: none"> • Prioritise international cooperation (assuming requested states are effectively teleworking or are not similarly affected) • Reprioritise work plans to focus on desk-based deliverables, including conducting background research and diagnostics as well as the development of new tools and processes, training materials, etc.
Remote work for most partner agencies difficult due to lack of internet, secure communications, mobile computer equipment and electronic case filing systems	<ul style="list-style-type: none"> • IT support, including the installation of videoconferencing software • Where country programmes allow it, provide funding for Internet access, etc.
Less funding available for ICAR's government counterparts	<ul style="list-style-type: none"> • Support the prioritisation of high-impact cases • Coordinate with other programmes and donors to prioritise funding for key operations, events, and equipment
Legal and policy reform processes slowed down	<ul style="list-style-type: none"> • Reprioritise work plans to focus on desk-based deliverables, including conducting background research and diagnostics as well as the development of new tools and processes, training materials, etc.
Exposure of field staff to COVID-19 in environments with poor health care systems	<ul style="list-style-type: none"> • Policy to allow field staff to voluntarily return to their home station • Requirement for field staff to have robust health insurance • ICAR Duty of Care focal point to monitor situation closely in close coordination with in-country teams
Inability for ICAR management to conduct on-site visits for donor relationship management and quality assurance	<ul style="list-style-type: none"> • Financial management is done at HQ level, with a limited local budget being executed in Malawi • More frequent check-ins and meeting with key stakeholders via videoconference
Inability for ICAR HQ based fly-in-fly-out case advisors to travel to partner countries	<ul style="list-style-type: none"> • Prioritise international cooperation (assuming requested states are effectively teleworking or are not similarly affected) • Video-conferencing for case discussions, provided secure communications can be ascertained

Inability to conduct on-site trainings by the training team	<ul style="list-style-type: none"> Transformation of in-person training curriculums for internet based delivery while maintaining practice oriented and country-specific methodology Online learning platform Ad hoc training sessions conducted by in-country field staff
Inability conduct on-site scoping missions to expand country programme portfolio	<ul style="list-style-type: none"> Conduct desk-based research Prioritise the delivery of the existing portfolio of programmes

Moderate – Moderate social distancing measures and less availability of flights

Risks	Mitigation
Limited ability for ICAR management to conduct on-site visits for donor relationship management and quality assurance	<ul style="list-style-type: none"> Financial management is done at HQ level, with a limited local budget being executed in Malawi More frequent check-ins and meeting with key stakeholders via videoconferencing
Limited ability to conduct on-site trainings by the training team	<ul style="list-style-type: none"> Transformation of in-person training curriculums for internet based delivery while maintaining practice oriented and country-specific methodology Design of future training programs systematically for onsite and online delivery Online learning platform Ad hoc training sessions conducted by in-country field staff
Limited ability to conduct on-site scoping missions to expand country programme portfolio	<ul style="list-style-type: none"> Conduct desk-based research Prioritise the delivery of the existing portfolio of programmes

11 Governance, reporting and M&E

11.1 Work plans

Planning of work will continue to be done in annual cycles, with annual work plans presented to ICAR core donors during the autumn/winter donor meeting held typically in November/early December. Work plans are in line with and geared toward the achievement of the results framework presented below.

Whilst a number of country programmes are funded by country-specific grants from either ICAR core donor country offices or other donors, and thus have to comply with programme specific planning and reporting requirements, all of these programmes directly or indirectly benefit from ICAR core funding. As a consequence, and to the extent that planning cycles can be aligned, annual work plans will aim at incorporating country-specific (non-core funded) programme plans also.

11.2 Reporting

As per past practice, formal reporting to ICAR core donors will be on a half-yearly basis through a mix of oral and written reports as described below. In addition, under the new operational strategy ICAR will provide monthly highlights bulletins to core donors.

A mid-year meeting (0.5 days) is held toward the end of Q2 of each calendar year and serves to update on progress against the work plan, to discuss potential risks as well as any emerging global topic of common interest. Reporting against the work plan at this half-year interval is provided in the form of a written bullet point style report against each of the output areas in the work plan. A full year meeting (full day) is held toward the end of Q4 of each calendar year. During this meeting, a full draft performance report on impact and outcomes combined with a bullet point style report against each of the output areas in the work plan is provided, as well as the draft work plan and budget for the following calendar year.

For both meetings, discussion and decision minutes are drafted by ICAR; their endorsement is by unanimous decision. If possible, and depending on the evolution of global travel post Covid-19, both the half-yearly and the full-year meeting are held in person. The mid-year meeting can optionally be held by video-conferencing or back-to-back with a relevant global policy event to avoid additional travel. The full-year meeting will be held either at ICAR HQs or in one of ICAR donor countries.

The financial report is provided annually at the beginning of Q2 of each calendar year in the form of an externally audited financial report for the Basel Institute on Governance's full operations, with suitable delineation of ICAR earmarked funds.

11.3 High-level supervision

The supervision and strategic directions of all programmes implemented by the Basel Institute, including ICAR, is directed by the Basel Institute's Foundation Board. The responsibilities of the Board also include, inter alia, quality assurance, approval of annual reports and annual budgets, appoint and dismiss the Managing Director, establish and approve salary structures for all permanent employees, approve recruitment, promotion or dismissal of all members of the Management Group, and approve and conclude contracts, in particular collaboration agreements and other long-term contracts with third parties, including any funding agreement and other contract of a value of CHF 100'000 and above.

The Foundation Board has at its disposal an Audit Committee and a Compensation Committee. The Audit Committee is responsible for monitoring the Foundation's finances and financial accounts and meets quarterly. The Compensation Committee is responsible for deciding the wages and the variable salary components of the Institute's staff members and meets in an ad hoc fashion as needs arise.

The Basel Institute is registered under Swiss Law as a Foundation in the Canton of Basel City and is supervised by the cantonal oversight authority.

11.4 Monitoring & evaluation

11.4.1 Monitoring instruments

The monitoring and evaluation of ICAR's work with respect to its impact, its outcomes and its outputs is measured against the indicators presented in the 4-year results framework (see section 11.3.2.). Half-yearly reports to donors (see above) serve to assess progress and take corrective measures if necessary.

In addition, each country programme which receives additional project funding from either ICAR core donor country offices or other donors typically requires a programme specific results framework. Efforts in the past to align programme specific results frameworks with the ICAR global results framework have so far been almost entirely unsuccessful as each donor and each donor country office has different requirements, reporting cycles and reporting templates.

The results framework indicators (for the ICAR global results framework as well as for programme specific results frameworks) rely heavily on two impact measurement tools developed by ICAR; these

are the case progress tool, which has been completely remodelled in the course of 2020, and the training tracer study.

Efforts will be made to increasingly integrate, as supplementary information, case specific statistics from partner countries; however, they are usually not suitable to depict the impact of ICAR's interventions as the statistics are much too broad and encompassing. In addition, national case specific statistics are in most cases still unreliable, and in some countries with questionable democratic structures disseminating national statistics bears additional risks.

M&E capability at the HQ team will need to be increased in order to deal with the great complexity of reporting and M&E obligations that have resulted from ICAR's general growth and the great divergence of reporting obligations that have arisen from different and increasingly heavy donor requirements.

11.4.2 Results framework

IMPACT	Impact Indicator 1	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR partner countries are more successful in deterring corruption and mobilising resources for development and can rely on greater public trust in government because they are effective in recovering stolen assets.	Number of countries where ICAR scales down its operations due to an increase in capabilities to recover assets	ICAR country assessment reviews and reports against country programme plans	Planned	TBD				TBD
			Achieved					
	Impact Indicator 2			Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
	Number of convictions and confiscation orders in ICAR supported cases	National or agency level statistics and ICAR case monitoring tool	Planned	TBD				
Achieved								
OUTCOME 1	Outcome 1 Indicator	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR partner countries have anti-corruption chains that are better equipped to deliver sanctions and recover assets	Percentage of investigations with an asset recovery element	National or agency level statistics and ICAR case monitoring tool	Planned	TBD				TBD
			Achieved					
	Outcome 1 Indicator			Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
	Percentage of gaps in country reports closed	ICAR country assessment reviews and reports against country programme plans	Planned	TBD				
Achieved								
OUTCOME 2	Outcome 2 Indicator	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR contributes to the development of stronger laws and international standards to make asset recovery more efficient	Number of international asset-recovery reports or fora documents which directly refer to ICAR publications, reports or initiatives	International asset recovery reports or fora documents	Planned	TBD				TBD
			Achieved					

OUTPUT 1 Weighting 40%	Output Indicator 1.1.	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR equips partner countries with appropriate competences and skills to effectively use their legal and enforcement instruments to recover stolen assets	Percentage of ICAR trainees who testify to the relevance of ICAR trainings for their work	ICAR pre- and post-training tests	Planned	TBD				TBD
			Achieved					
	Output Indicator 1.2.		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024	
	Percentage of active ICAR cases making 3 steps or more towards conviction or asset confiscation	ICAR case monitoring tool	Planned	TBD				TBD
			Achieved					
	Output Indicator 1.3.		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024	
Percentage of trainings, knowledge sharing events or active cases pursuing a chain-linked approach to asset recovery	ICAR case monitoring tool and progress reports	Planned	TBD				TBD	
		Achieved						
OUTPUT 2 Weighting 30%	Output Indicator 2.1.	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR supports partner countries to introduce suitable tools, procedures, instruments, policies or institutions to recover stolen assets	Number of legal instruments and investigative tools or procedures revised or introduced as a result of ICAR's interventions	ICAR progress reports	Planned	TBD				TBD
			Achieved					
	Output Indicator 2.2.		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024	
	Number of institutional review and/or reform processes initiated or introduced as a result of ICAR's interventions	ICAR progress reports	Planned	TBD				TBD
Achieved								
OUTPUT 3 Weighting 20%	Output Indicator 3.1.	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR supports target regions to increase their capacity to recover assets	Number of regional or cross-jurisdictional capacity building initiatives delivered by ICAR	ICAR progress reports	Planned	TBD				TBD
			Achieved					
	Output Indicator 3.2.		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024	
	Number of multi-jurisdictional operational or case-based meetings conducted as a result of ICAR's intervention and with ICAR participation/facilitation	ICAR progress reports	Planned	TBD				TBD
Achieved								

OUTPUT 4 Weighting 10%	Output Indicator 4.1.	Source(s) of verification		Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
ICAR promotes and contributes to the international discussions and developments of innovative or improved responses or approaches to asset recovery challenges	Number of ICAR products disseminated to targeted international audiences to inform discussions and the adoption of policy in international asset recovery fora	ICAR progress reports	Planned	TBD				TBD
			Achieved					
	Output Indicator 4.2.			Baseline 2020	Milestone 2021	Milestone 2022	Milestone 2023	Target 2024
	Percentage increase in the number of users of and reporting on AML Index	Basel AML subscription and user statistics	Planned	TBD				TBD
			Achieved					