



# Conference of the States Parties to the United Nations Convention against Corruption

Distr.: General  
7 September 2011

Original: English

---

## Fourth session

Marrakech, Morocco, 24-28 October 2011

Item 5 of the provisional agenda\*

### Asset recovery

## Progress made in the implementation of the recommendations of the Open-ended Intergovernmental Working Group on Asset Recovery

Background paper prepared by the Secretariat\*\*

### I. Introduction

1. At its first session, the Conference of the States Parties to the United Nations Convention against Corruption adopted resolution 1/4, by which it established the Open-ended Intergovernmental Working Group on Asset Recovery to advise and assist the Conference in the implementation of its mandate with regard to the return of proceeds of corruption. The Working Group was set up in accordance with article 63, paragraph 4, of the United Nations Convention against Corruption. The mandate of the Working Group includes assisting the Conference in developing cumulative knowledge in the area of asset recovery, identifying capacity-building needs, encouraging cooperation among relevant existing bilateral and multilateral initiatives, contributing to the implementation of the related provisions of the Convention under the guidance of the Conference, facilitating the exchange of information, good practices and ideas among States and building confidence among and encouraging cooperation between requesting and requested States.

2. In its resolutions 2/3 and 3/3, the Conference decided that the Working Group should continue its work. The Working Group held its first meeting in Vienna on 27 and 28 August 2007,<sup>1</sup> its second meeting on 25 and 26 September 2008,<sup>2</sup>

---

\* CAC/COSP/2011/1.

\*\* This document has been submitted late in order to reflect the outcome of the meeting of the Open-ended Intergovernmental Working Group on Asset Recovery held on 25 and 26 August 2011.

<sup>1</sup> CAC/COSP/2008/4.

<sup>2</sup> CAC/COSP/WG.2/2008/3.



its third meeting on 14 and 15 May 2009,<sup>3</sup> its fourth meeting on 16 and 17 December 2010<sup>4</sup> and its fifth meeting on 25 and 26 August 2011.<sup>5</sup>

3. The present background paper has been prepared as a means of informing the Conference of the status of implementation of its resolutions on asset recovery and the recommendations of the Working Group. It is aimed at assisting the Conference in its deliberations and in determining the course of action to be pursued with regard to asset recovery.

## **II. Overview of the status of implementation of the Conference resolutions relating to asset recovery and the recommendations of the Working Group**

4. Conference and Working Group discussions to date relate to three main themes: developing cumulative knowledge; building confidence and trust between requesting and requested States; and technical assistance, training and capacity-building.

5. With respect to the development of cumulative knowledge relating to asset recovery, the continuing need to overcome practical challenges and barriers faced by States parties in implementing chapter V of the Convention, including the lack of capacity of practitioners to deal with asset recovery cases, has been noted.

6. Building confidence and trust is considered a crucial component of the work on asset recovery, particularly as a means of increasing political will, developing a culture of mutual legal assistance and cooperation and paving the way for successful international cooperation.

7. With regard to technical assistance, different approaches to asset recovery have been discussed, including capacity-building and training, gap analyses, the drafting of new laws where necessary and facilitation of the mutual legal assistance process.

8. The need to strengthen the coordination of various asset recovery initiatives has been repeatedly highlighted. In September 2007, the United Nations Office on Drugs and Crime (UNODC) and the World Bank established the Stolen Asset Recovery (StAR) Initiative, which became fully operational at the end of 2008. The goal of the Initiative is to encourage and facilitate the systematic and timely return of proceeds of corruption and to improve the rate of return of stolen assets globally.

### **A. Developing cumulative knowledge**

#### **1. Tools for gathering and sharing information**

9. The Conference and the Working Group have consistently given high priority to the availability, creation and management of knowledge relating to asset recovery. The Working Group has welcomed the progress made by the Secretariat

---

<sup>3</sup> CAC/COSP/WG.2/2009/3.

<sup>4</sup> CAC/COSP/WG.2/2010/4.

<sup>5</sup> CAC/COSP/WG.2/2011/5.

on the legal library and on the comprehensive knowledge portal known as Tools and Resources for Anti-Corruption Knowledge (TRACK), and has recommended that such a tool should contain both legislation and analytical work.

10. The Working Group has highlighted the usefulness of the existing knowledge products of the StAR Initiative in building national capacity and has requested the Secretariat to prepare a list of those products and to ensure their widest possible dissemination.

11. The Working Group has recommended the development of practical tools for asset recovery, in particular a practical step-by-step manual. The Conference has urged the further study and analysis of how legal presumptions, measures to shift the burden of proof and the examination of illicit enrichment frameworks facilitate the recovery of corruption proceeds.

#### *Action taken*

12. The basic tool for collecting information on measures taken to implement the Convention is the self-assessment checklist, endorsed by the Conference in its resolution 3/1. Legal data submitted through the checklist and validated by States parties, including judicial decisions rendered in asset recovery cases, will also feed into the UNODC legal library.

13. The legal library is designed to collect, systematize and disseminate up-to-date and validated legal knowledge relating to corruption and asset recovery, building on information obtained through the Mechanism for the Review of Implementation of the Convention and to facilitate the analysis and distribution of that knowledge. An initial data set of laws, regulations and administrative practices of over 175 States has been compiled and a detailed analysis has been conducted of how those instruments and practices relate to the provisions of the Convention.

14. The legal library is part of TRACK, which was launched in September 2011. TRACK is a Web-based portal and collaborative forum for anti-corruption and asset recovery practitioners and partner institutions that collects and disseminates knowledge relating to corruption and asset recovery, including case studies, best practices and policy analyses. In addition, TRACK is soon to offer links to relevant databases, such as the database of asset recovery focal points created under the StAR Initiative, the expanded Mutual Legal Assistance Request Writer Tool and Asset Recovery Watch, a database of corruption-related asset recovery cases that is to be launched under the StAR Initiative. International partners of the TRACK initiative includes, in addition to the StAR Initiative, the United Nations Development Programme (UNDP), the International Association of Anti-Corruption Authorities (IAACA), the Asian Development Bank, the Organization for Economic Cooperation and Development (OECD), the Basel Institute on Governance and the U4 Anti-Corruption Research Centre.

15. A number of best practice guides and policy studies addressing specific areas of asset recovery have been produced under the StAR Initiative:

(a) *Stolen Asset Recovery: A Good Practices Guide for Non-conviction-based Asset Forfeiture* (published in English in May 2009; also available in Russian and Spanish). This guide identifies the key legal and practical concepts on which a

non-conviction-based asset forfeiture system should be based in order to be effective;

(b) *Stolen Asset Recovery: Towards a Global Architecture for Asset Recovery* (published in November 2009). This study reviews the status of asset recovery at the global level and sets out an agenda for action;

(c) *Stolen Asset Recovery: Management of Returned Assets: Policy Considerations* (published in November 2009). This publication reviews some of the issues that national authorities may wish to consider when planning the management of returned assets;

(d) *Politically Exposed Persons: Preventive Measures for the Banking Sector* (published in May 2010). This report combines policy recommendations and good practices aimed at making it harder for corrupt politically exposed persons to launder money;

(e) *Asset Recovery Handbook: A Guide for Practitioners* (published in December 2010). This handbook is designed as a quick-reference “how-to” manual for asset recovery practitioners. It provides guidance on the strategic, organizational, investigative and legal challenges of recovering assets and outlines helpful techniques and procedures;

(f) *Barriers to Asset Recovery: An Analysis of the Key Barriers and Recommendations for Action* (published in June 2011). This study identifies and analyses the barriers that impede the recovery of stolen assets located within financial centres;

(g) A Study on illicit enrichment, published in August 2011, which, in response to the recommendation made by the Conference in its resolution 3/3, examines the legal and policy issues relating to illicit enrichment;

(h) *Stolen Asset Recovery: Income and Asset Declarations: Tools and Trade-offs* (published in 2011; second edition in two volumes). This guide seeks to provide practical advice on the design and implementation of income and asset declaration systems;

(i) “The puppet masters: how the corrupt use legal structures to hide stolen assets and what to do about it” (publication forthcoming). This study describes how legal structures are used to conceal corrupt officials’ ownership and control of corruption.

16. Further publications are under development: a report on quantification of the proceeds of corruption and a report on the commitments set out in the Accra Agenda for Action both to be prepared in cooperation with OECD; a study on the impact of settlements on international cooperation in asset recovery; and a publication for practitioners on asset recovery networks.

17. At its meeting held in August 2011, the Working Group took note of the preparation, under the StAR Initiative, of the illicit enrichment study and called upon States parties to provide their comments and suggestions to the secretariat of the StAR Initiative by 30 September 2011 so that the study could be finalized.

## 2. Mutual Legal Assistance Request Writer Tool and similar products

18. The Working Group has stressed the importance of modern information technology in developing cumulative knowledge and has requested the Secretariat to continue its work to expand the Mutual Legal Assistance Request Writer Tool and to develop similar products.

### *Action taken*

19. UNODC has pursued efforts to expand the Mutual Legal Assistance Request Writer Tool, a user-friendly computer-based tool that helps States to prepare, transmit and receive requests for mutual legal assistance. An expanded version of the tool will offer additional features and possibilities; it is expected to be finalized before the end of 2011.

20. UNODC has developed software applications goAML for use by financial intelligence units in countering the financing of terrorism and money-laundering, and goCASE, an integrated tool for use by law enforcement, investigative and prosecution agencies in the collection, management and analysis of investigation-related information, both of which may be of use to asset recovery practitioners.<sup>6</sup>

21. Further asset recovery resources that incorporate modern information technology include TRACK, the legal library, the self-assessment checklist, the Asset Recovery Watch and the StAR Initiative's database of asset recovery focal points.

## 3. Information on and analysis of asset recovery cases

22. The Working Group has requested UNODC to continue its efforts, in consultation with Member States, to compile and systematize asset recovery cases and to prepare an analytical study of such cases on the basis of relevant experience. The Working Group has also encouraged interested Member States to contribute voluntarily to such efforts and has called on States to provide the Secretariat with information on cases, whether those cases have lead to successful or unsuccessful outcomes, in order to enhance the Secretariat's analytical work.

### *Action taken*

23. Information on an increasing number of asset recovery cases is being made available to the Secretariat. In response to the notes verbales issued by the Secretariat on 30 June 2009 and 22 January 2010 seeking the cooperation of States in preparing a compilation of cases relating to the recovery of proceeds of corruption, States parties and signatories to the Convention have submitted detailed information on 10 cases. The Secretariat will treat this material in a manner that respects the confidentiality restrictions requested by the States concerned.

24. A further source of asset recovery cases is Asset Recovery Watch, which is currently being finalized. The database contains 75 cases and will be made available to practitioners through the StAR Initiative website and the TRACK Web portal. The database will be maintained in coordination with UNODC. States parties are

---

<sup>6</sup> For more information, see <http://goaml.unodc.org/> and <http://gocase.unodc.org/>.

invited to submit cases to the secretariat of the StAR Initiative for inclusion in the database or to indicate whether they wish UNODC to include information on cases that they submit to that office in the database.

25. The information on cases obtained from the above-mentioned sources, supplemented by information on additional cases to be provided by States parties, including through the self-assessment checklist during the review of chapter V of the Convention as part of the second review cycle, constitutes a sufficient basis for the analytical study requested by the Working Group, which will be initiated by the Secretariat in the coming months. As recommended by the Working Group, the study will draw on the experience gained by UNODC in compiling its *Digest of Terrorist Cases*.

#### **4. Broad consultation with and participation of experts**

26. The Working Group has reiterated the need for activities aimed at developing cumulative knowledge to be carried out with the broad consultation and participation of experts representing different regions and legal systems.

##### *Action taken*

27. In the drafting of knowledge products, the input of expert practitioners working in developed and developing countries, in different regions and in civil- and common-law jurisdictions is used. Usually, for each knowledge product, a core team is established to collect and analyse information and cases and develop the first draft, which is presented at a workshop or conference at which practitioners are invited to discuss and comment on that draft. The core team then develops the draft in close collaboration with practitioners.

28. Broad consultation and participation in developing cumulative knowledge is also ensured through peer reviews of drafts of knowledge products. Input is provided for the consideration of the drafting team in writing or during peer review meetings.

#### **5. Wide dissemination of tools and knowledge products**

29. Tools and knowledge products need to be widely disseminated and feedback on their effectiveness and usefulness should be considered by the Conference or the Working Group.

##### *Action taken*

30. All tools and knowledge products developed by UNODC are widely disseminated. For example, the Mutual Legal Assistance Request Writer Tool is available online.<sup>7</sup> TRACK is presented as a Web-based portal to ensure broad accessibility. The legal library, which is a part of TRACK, is also available online.

31. Similarly, the knowledge products of the StAR Initiative are available on the Internet through both the StAR website and the UNODC website. Also, products of the StAR Initiative are distributed widely through various means, including presentations at events and meetings. Those activities have attracted a high degree

---

<sup>7</sup> [www.unodc.org/mla/](http://www.unodc.org/mla/).

of interest and have contributed to the considerable success of StAR publications: the report on politically exposed persons ranks second and the asset recovery handbook fourth among the best-selling publications of the World Bank Group. Moreover, dissemination efforts have resulted in requests for technical assistance from States in Africa, Asia and Latin America. A law on non-conviction-based forfeiture was recently adopted by a State party that had been provided with technical assistance.

**6. Closer cooperation with financial institutions and financial intelligence units and greater effectiveness of financial investigations**

32. At its third session, the Conference underlined that financial institutions should adopt and implement effective standards of due diligence and financial disclosure, as previously highlighted by the Working Group, which had noted the need to increase the responsibility of financial institutions and of the financial intelligence units overseeing them. The Working Group has recommended the inclusion of such institutions in the development of cumulative knowledge relating to asset recovery; it has also encouraged work on the preventive measures provided for in chapter V of the Convention and placed emphasis on effective financial investigations.

*Action taken*

33. “No Safe Havens: A Global Forum on Stolen Asset Recovery and Development”, co-sponsored by the StAR Initiative and the Government of Switzerland, was held in Paris on 8 and 9 June 2010. The Forum brought together more than 120 participants from 18 countries, including representatives of the financial and private sectors, civil society organizations and international and bilateral development agencies.

34. Through the World Bank, the Financial Action Task Force on Money Laundering and the Group of Twenty (G-20) Finance Ministers and Central Bank Governors, the secretariat of the StAR Initiative has also promoted its recommendations and the lessons learned from its analytical work to ensure, inter alia, that in efforts to counter money-laundering, utmost priority is given (particularly by financial intelligence units and law enforcement agencies) to combating the laundering of the proceeds of corruption and to due diligence on the part of financial institutions.

35. Under the UNODC Global Programme against Money-Laundering, UNODC mentors work in the field to assist selected Member States in building effective systems against money-laundering and the financing of terrorism, including through the strengthening of financial intelligence units, the analysis of financial information and the development of financial intelligence.

36. The capacity-building services provided in this context include training on how to conduct effective financial investigations, while other activities relate to the enhanced scrutiny of accounts maintained by or on behalf of politically exposed persons and how financial institutions can foster the effectiveness of such scrutiny on the basis of the publication *Politically Exposed Persons: Preventive Measures for the Banking Sector* (see paragraph [15 (d)] above). Representatives of the StAR Initiative have also participated actively in related workshops and discussions

attended by representatives of financial institutions, including in the context of the work of the Wolfsberg Group, an association of 11 global banks that aims to develop standards in the financial services industry, in order to promote the policy recommendations and more active measures by the financial sector against the laundering of proceeds of corruption. The updated Wolfsberg Anti-Corruption Guidance (August 2011) provides tailored advice to international financial institutions and explicitly refers to the StAR Initiative.

37. The perspectives and input of financial institutions have also been included in the development of cumulative knowledge on asset recovery within the framework of the StAR Initiative. For example, the policy paper on politically exposed persons involved consultations with financial institutions, regulatory authorities and financial intelligence units in Argentina, France, Liechtenstein, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as well as in Hong Kong, China, and in Jersey.

## **7. Model legislative provisions and best practice guides**

38. The Working Group has recommended that products such as *Stolen Asset Recovery: A Good Practices Guide for Non-conviction-based Asset Forfeiture* be considered in the context of implementation of other provisions of the Convention with regard to which the preparation of models or best practice guides — relating, for example, to the freezing and confiscation of assets — is feasible.

### *Action taken*

39. A number of existing knowledge products are designed to support the implementation of the Convention, particularly the study on illicit enrichment, the asset recovery handbook and the guide on income and asset declaration systems.

40. The assessment of areas in which the preparation of models or best practice guides is feasible is in progress. Meanwhile, UNODC has developed model laws that are closely linked to asset recovery, including the Model Law on Mutual Assistance in Criminal Matters (2007), *Model Legislation on Money laundering and Financing of Terrorism* (for civil law systems, published in 2005) and *Model Provisions on Money Laundering, Terrorist Financing, Preventive Measures and Proceeds of Crime (for common law legal systems)*, published in 2009. At the regional level, within the framework of the Legal Assistance Programme for Latin America and the Caribbean, UNODC has developed model legislative provisions on in rem forfeiture in Latin America (published in July 2011, in English and Spanish). The model legislative provisions have been presented to the Financial Action Task Force on Money Laundering, the Financial Action Task Force of South America against Money Laundering (GAFISUD) and the Inter-American Drug Abuse Control Commission (CICAD) and were brought to the attention of the Working Group at its meeting held in August 2011. UNODC plans to promote implementation of the model legislation in selected countries before the end of 2011. An annotated version of the model legislation in Spanish is also under preparation.

41. UNODC is still considering ways of developing model legislative provisions on asset recovery. One approach would be to elaborate such provisions in a single document covering all aspects of possible relevance in the implementation of the relevant provisions of chapter V of the Convention. An alternative approach being

considered is to develop model provisions focusing on those articles that are not yet covered by the existing model legislation.

**8. Gathering of information on the implementation of the articles of the Convention relating to asset recovery, including through the self-assessment checklist**

42. The Working Group has repeatedly invited States parties, with the support of the secretariat, to complete the chapter of the self-assessment checklist dealing with asset recovery so that it can gather information on the implementation of those articles of the Convention relating to asset recovery, assess States' efforts and identify further steps to be undertaken to implement chapter V of the Convention.

*Action taken*

43. In its resolution 3/1, the Conference decided that the comprehensive self-assessment checklist should be used as a tool to facilitate the provision of information on implementation of the Convention. An improved version of the self-assessment checklist (in all six official languages of the United Nations) was presented to the Implementation Review Group at its second session, held in Vienna from 30 May to 3 June 2011. The Conference also decided that the implementation of chapter V of the Convention would be reviewed during the second five-year cycle of the Implementation Review Mechanism. However, information on the implementation of chapter IV of the Convention, which could be relevant to the implementation of provisions on asset recovery, will be collected during the first cycle of the Mechanism. In that context, the thematic implementation reports prepared by the secretariat pursuant to paragraph 35 of the terms of reference of the Mechanism (annexed to Conference resolution 3/1) will compile the information on good practices, challenges, observations and technical assistance needs set out in the country review reports, thus providing useful information with respect to international cooperation.

**B. Building confidence and trust between requesting and requested States**

**1. Central authorities, focal points and networks**

44. The Working Group has called upon States parties to afford one another the widest possible mutual legal assistance, especially for the benefit of developing countries, to facilitate the return of assets and to enhance capacity to freeze, seize and confiscate assets.

45. The Working Group has requested the secretariat to invite those Member States that have not done so to designate a central authority responsible for requests for mutual legal assistance and to make a list of those authorities available to the Conference. The Working Group, at its meeting held in August 2011, requested the secretariat to send another note verbale to Member States requesting those that had not yet done so to designate such a central authority in accordance with article 46, paragraph 13, of the Convention.

46. The Conference and the Working Group have emphasized the need for informal communication and cooperation before a formal request for mutual legal

assistance is made and in cases where no formal request is required. In particular, the Working Group has stressed the need for Member States to make effective use of cooperation with law enforcement agencies and financial intelligence units while recognizing the role of the judiciary in ensuring accountability and due process in international cooperation procedures. The Working Group has also recommended close cooperation between anti-corruption agencies, law enforcement agencies and financial intelligence units within States.

47. The Working Group has further highlighted the importance of work to establish a global network of focal points on asset confiscation and recovery with technical expertise. While the Conference and the Working Group are seen as serving as a platform for the exchange of knowledge and experience, a network of focal points could provide essential further opportunities for dialogue. The Working Group has also stressed the importance of regional networks of focal points and the need for collaboration and coordination with those networks.

48. The Working Group has recommended exploring the feasibility of adopting a help desk approach for asset recovery in order to provide informal advice during the initial stages of a case and to refer requesters to counterparts who would be able to provide further assistance.

49. The Working Group has also recommended that UNODC explore how the database of asset recovery focal points could be amended with a view to making it possible to ascertain the contact details of persons in other jurisdictions.

50. The Working Group has urged States parties that have not yet done so to designate asset recovery focal points and to communicate that information to the Secretariat.

#### *Action taken*

51. In March 2011, the Secretariat sent a note verbale in which it requested all States parties to the Convention that had not done so to designate central authorities responsible for requests for mutual legal assistance. As at 15 June 2011, 91 States parties had notified the Secretariat of their designated central authorities.

52. UNODC has compiled a database of asset recovery focal points designated by Member States. In March 2011, the Secretariat sent a note verbale to Member States inviting them to submit information on their designated asset recovery focal points in order to expand the database. As at 15 June 2011, 40 Member States had notified the Secretariat of their designated focal points.<sup>8</sup>

53. The focal point initiative was established by the StAR Initiative in partnership with the International Criminal Police Organization (INTERPOL) in January 2009. Its objective is to support investigations through informal assistance (i.e., prior to the submission of formal requests for mutual legal assistance) for the purpose of

---

<sup>8</sup> The States that have notified the Secretariat of their designated focal points are Afghanistan, Algeria, Armenia, Australia, Austria, Bahrain, Belgium, Bolivia (Plurinational State of), Bosnia and Herzegovina, Bulgaria, Cape Verde, Denmark, Ecuador, Egypt, El Salvador, Guatemala, Jordan, Kenya, Latvia, Malaysia, Malta, Mauritius, Mexico, the Netherlands, Pakistan, Palau, Peru, the Philippines, Poland, Portugal, the Russian Federation, Rwanda, Serbia, Slovenia, Sweden, Switzerland, the Syrian Arab Republic, Turkey, the United Kingdom and the United States.

recovering the proceeds of corruption and economic crime. It achieves that function through a secure database containing the names of asset recovery focal points in participating countries who are available 24 hours a day, seven days a week. A communications platform to enable focal points to communicate on a secure basis is currently being developed. At present, 84 countries are participating in the initiative. A first meeting of the members of the network of focal points was held on 13 and 14 December 2010. A second meeting was held in Lyon from 11 to 13 July 2011. UNODC, the World Bank and the StAR Initiative have also used the G-20 Anti-Corruption Action Plan to encourage States parties to lead by example by designating their asset recovery focal points both under the Convention and under the StAR Initiative as soon as possible.

54. In addition to the database of asset recovery focal points, UNODC, the World Bank and the StAR Initiative have contributed to the creation, support and strengthening of regional networks relating to asset recovery. Those networks are mainly informal and aimed at facilitating mutual legal assistance. The Asset Recovery Inter-Agency Network of Southern Africa is an informal network founded in March 2009 and comprising asset confiscation practitioners from nine States in Southern Africa. The Asset Recovery Network of GAFISUD was established in 22 July 2010 as an informal network to promote international cooperation in asset confiscation. While comprised of the member States of GAFISUD, its constitutive documents allow other States to become members of the network. Its focal points afford one another informal operational assistance to the extent that such assistance is permitted by their respective jurisdictions.

## **2. Cooperation between financial intelligence units, anti-corruption agencies and central authorities**

55. The Working Group has recommended the strengthening of cooperation among financial intelligence units, anti-corruption agencies and central authorities responsible for requests for mutual legal assistance at both the national and the international level. Further cooperation with existing networks and institutions such as the Egmont Group of Financial Intelligence Units and IAACA should be explored.

### *Action taken*

56. Through its Global Programme against Money-Laundering, UNODC works with financial intelligence units to assist them in joining the Egmont Group and in implementing the Group's Principles for Information Exchange between Financial Intelligence Units for cases involving money-laundering and terrorism financing. The World Bank provides similar assistance, partly in coordination with the Egmont Group.

57. UNODC continues to work closely with and support the activities of IAACA. It participates in the IAACA Executive Committee and is regularly consulted with regard to the Association's programme of work and the formulation of its strategic plans. UNODC participated actively in the expert group meeting on the IAACA Work Plan held in Singapore from 17 to 20 January 2011.

58. The engagement of UNODC, the World Bank and the StAR Initiative with the Financial Action Task Force on Money Laundering is leading that body to give

increasing attention to the question of how it can promote international efforts to combat the laundering of proceeds of corruption. Furthermore, the StAR Initiative's publication *Stolen Asset Recovery: Towards a Global Architecture for Asset Recovery* includes a note to donor agencies, including advice on linking strategies against money-laundering with anti-corruption strategies.

### 3. Cooperation with the private sector

59. The role of the private sector in the fight against corruption continues to be crucial. The Working Group has recommended that the secretariat continue to promote partnerships with private sector entities, in particular with financial institutions, in order to assist them in complying with their obligations under the Convention and to facilitate asset recovery. The Working Group has encouraged States parties to support the efforts of the secretariat, inter alia, by developing partnerships at the national level.

#### *Action taken*

60. UNODC is mandated to prevent and fight corruption in partnership with all stakeholders, including the corporate community. UNODC has continued to participate actively in the work of the Global Compact Working Group on the Tenth Principle, focusing on the private sector's commitment to fighting corruption. It participated in the meeting of the Global Compact Working Group held in Copenhagen on 16 May 2011, at which participants discussed, inter alia, legal incentives based on the Convention that might encourage cooperation with law enforcement agencies, including the reporting of internal corruption incidents. UNODC also participated in the United Nations Global Compact Annual Meeting held in Copenhagen on 17 May 2011.

61. UNODC and the Global Compact Office have jointly developed an anti-corruption electronic learning ("e-learning") tool for the private sector. Through six interactive modules based on real-life dilemma scenarios, the tool provides members of the corporate community with detailed guidance on the practical application of anti-corruption principles based on the Convention. It serves both to raise awareness of the risks of corruption and to educate the private sector on the contribution that that sector can make to ending corruption. The tool is available free of charge from the websites of both UNODC and the Global Compact Office.

62. UNODC is a recipient of funding for anti-corruption projects through the Siemens Integrity Initiative. The 100-million-dollar Initiative, which is part of the World Bank-Siemens comprehensive settlement agreed in 2009, will finance three UNODC projects over three years. Siemens' partnership with UNODC will support anti-corruption efforts in three crucial areas: reducing vulnerability to corruption in public procurement systems; creating legal incentives in line with the Convention in order to encourage corporate integrity and cooperation; and educating current and future business leaders and their public counterparts about the true costs of corruption and how compliance with the Convention can help to protect both the public good and business interests.

63. There has been considerable demand among financial institutions and professionals for the policy paper *Politically Exposed Persons: Preventive Measures for the Banking Sector*, which the StAR Initiative has used to engage private sector

entities (particularly in the context of the Wolfsberg Group) and the Financial Action Task Force on Money Laundering in ensuring that international good practices relating to politically exposed persons are strengthened and more rigorously implemented.

#### **4. Promoting dialogue and removing barriers to asset recovery**

64. The need for the Secretariat to intensify its work with regard to the promotion of dialogue between requested and requesting States, the building of trust and confidence and the nurturing and further strengthening of political will in ensuring asset recovery has been repeatedly emphasized. The Working Group has encouraged States parties to endeavour to remove barriers to asset recovery, in particular by simplifying domestic procedures and by strengthening those procedures to prevent their misuse.

##### *Action taken*

65. The Conference, its working groups and the Implementation Review Group provide opportunities for dialogue and the strengthening of political commitment. In addition, UNODC and the secretariat of the StAR Initiative actively engage in advocacy in a number of international forums, including the G-20 Anti-Corruption Working Group, with the aim of strengthening political will. UNODC participates in the Anti-Corruption Working Group as an observer and provided input during the preparation of the G-20 Anti-Corruption Action Plan, which was endorsed by the Group of Twenty during its summit held in Seoul in November 2010. The Anti-Corruption Working Group continues its work and will submit proposals on the implementation of the Anti-Corruption Action Plan to the G-20 summit to be held in Cannes, France, in early November 2011. UNODC, the World Bank and the secretary of the StAR Initiative have remained active participants in the Anti-Corruption Working Group, supporting its work to promote implementation of the Action Plan.

#### **5. The Convention as the legal framework for assistance in asset recovery**

66. The Working Group has requested the Secretariat to continue to ensure that all activities of the StAR Initiative comply strictly with the legal framework and international standards established pursuant to the Convention. It has also requested the Secretariat to continue to report to it and to the Conference on the activities of the StAR Initiative on a regular basis.

##### *Action taken*

67. The StAR Initiative operates within the legal framework of the Convention. Its activities are aimed at fulfilling the mandates of the Conference and the Working Group. A formal partnership agreement between UNODC and the World Bank governs the StAR Initiative. Three representatives of UNODC are members of the StAR Management Committee, which oversees the activities of the StAR Initiative and establishes its overall policies and priorities. At the working level, two UNODC staff members work as part of the secretariat of the StAR Initiative in Washington, D.C., and contribute to the day-to-day management of the Initiative, in close coordination with UNODC. All StAR products undergo a peer review process for the purpose of which UNODC nominates reviewers for each product. UNODC

staff are included in teams assigned to give training courses and carry out country missions as a matter of general practice. An account of the activities carried out under the StAR Initiative has been provided to the Working Group and the Conference at every meeting subsequent to the establishment of the Initiative.

#### **6. Workplan for discussing the practical aspects of asset recovery**

68. At its meeting held in August 2011, the Working Group expressed appreciation for the presentations given at that meeting on new legislation on asset recovery adopted by States parties in compliance with the Convention and recommended that the Secretariat strive to foster the same pragmatic approach at future meetings. The Working Group noted the importance of providing a forum for discussion on the practical aspects of asset recovery, including challenges and good practices. In that connection, the Working Group recommended that States parties prepare to conduct such discussions at the fourth session of the Conference.

69. The Working Group decided that a workplan should be developed for the Working Group and submitted to the Conference at its fourth session. It also decided that relevant proposals should be submitted to the Secretariat by 1 October 2011, and that the Secretariat should compile the proposals in a document for consideration by the Conference at its fourth session.

##### *Action taken*

70. The Conference will have before it a conference room paper (CAC/COSP/2011/CRP.3) containing proposals received from States parties in response to a letter sent by the Chairman of the Working Group at its meeting held in August 2011 on a workplan for structuring the work of the Group.

### **C. Technical assistance, training and capacity-building**

#### **1. Technical assistance, training and building capacity in the area of asset recovery**

71. The Working Group has highlighted the high level of demand for technical assistance in the implementation of chapter V of the Convention, especially for legal advisory services, and the need for tailor-made approaches. It has emphasized the importance of providing technical assistance, in the area of mutual legal assistance, to officials and practitioners in order to enable them to draft requests and responses to requests.

72. The Working Group has also emphasized the importance of strengthening the capacity of legislators, law enforcement officials, judges and prosecutors in relation to asset recovery and the need for specialized training in asset recovery. In addition to such activities as seminars and training courses, the Working Group has encouraged the Secretariat to organize such training using, inter alia, innovative technology such as electronic learning programmes.

73. The Working Group has recommended that UNODC seek to forge more partnerships and coordinate additional technical assistance activities relating to asset recovery with other relevant organizations and bodies, and has requested the Secretariat to promote ways and means for Member States to request technical assistance from the StAR Initiative at the national and regional levels.

*Action taken*

74. In the area of legislative assistance, UNODC has responded to requests from States to conduct a desk review of draft legislation and has provided access to legislation in force through its legal library. In addition, in the context of several ongoing gap analyses, UNODC is assisting States in reviewing their implementation of chapter V of the Convention and in the future will, on request, provide advice on the actions required to fill identified gaps.

75. Within the framework of the StAR Initiative, technical assistance in the various stages of asset recovery proceedings is provided at the request of States. The aim of such assistance is to help States to collect and analyse information that will facilitate progress in asset recovery efforts and inform the decision-making of national authorities and to assist in making international cooperation, in particular mutual legal assistance, more effective. Examples of such assistance include the sponsoring of meetings and workshops that bring together relevant parties at the national, regional and international levels and the provision of advisory services to support the preparation of analytical reports, legal research, assistance with audits and financial analysis or to support the preparation and analysis of mutual legal assistance requests or other forms of international cooperation.

76. As at 5 June 2011, 27 States had submitted formal requests for technical assistance to the StAR Initiative. Three additional States had submitted requests for further assistance as a follow-up to support provided previously. Of those requests, six related to frozen assets; five to mutual legal assistance in ongoing cases; two to the work of countries as honest brokers in cooperation with financial centres; and four to the development and launch of asset recovery programmes. In addition, UNODC has provided assistance relating to mutual legal assistance to one State at the request of that State.

77. The nature of the assistance offered varies and is fully tailored to the specific needs of the requesting State: in some cases, assistance is geared towards policy dialogue and facilitation of contacts between national authorities and financial centres, while in others, it is focused on capacity-building activities and the provision of advisory services to support specific asset recovery cases. Obviously, the type of assistance provided in the context of a specific asset recovery case may differ from that envisaged at the gap analysis stage.

78. A number of asset recovery training courses have been conducted jointly with the StAR Initiative, including regional events in the Pacific Islands, the Middle East and North Africa, South and Central America, Southern and Eastern Europe, East and Southern Africa and in South and East Asia. Training has been delivered at two levels: introductory workshops aimed at raising awareness about asset recovery and more advanced training courses to address the technical aspects of asset recovery. The introductory workshops have generally been held at a regional level in order to allow practitioners to share experiences and establish contacts, including contacts in regional financial centres, and are designed for higher-level decision makers who do not need extensive training on hands-on asset recovery techniques and procedures. In addition, specialized training on specific topics or to specific groups has been provided.

79. UNODC, the World Bank, the secretariat of the StAR Initiative, UNDP and the Arab Anti-Corruption and Integrity Network jointly provided the Arab League with assistance in the preparation and implementation of a two-day regional workshop held in Cairo in June 2011 on asset recovery under the relevant international conventions.

80. On the basis of the assessment that technical training is most effective when it is immediately put into action by recipients, particularly in circumstances in which that training relates to a specific and directly related activity (legislative reform, institutional reform and actual cases), future training provided under the StAR Initiative will be more closely linked to country engagement in order to ensure focus on skills development for recipients who need to put that training into practice as early as possible. A pilot course is also being implemented jointly with the East African Association of Anti-Corruption Authorities to develop a pool of trainers able to teach asset recovery skills to counterparts in the region as and when required. Training materials will be based, to the extent possible, on the asset recovery handbook and related knowledge products. The StAR Initiative will prioritize its country-specific assistance in situations in which there is an ongoing asset recovery case or it is likely that the assistance provided will help authorities to initiate such cases in the short term.

81. UNODC and the Government of Austria, with the support of the European Anti-Fraud Office, recently established the International Anti-Corruption Academy, which is based in Laxenburg, Austria. Asset recovery will feature prominently in the Academy's work. Representatives of UNODC participated in the international steering committee that provided strategic direction and leadership until the Academy became a fully fledged international organization on 8 March 2011. The Academy will provide academic degree programmes and both standardized and tailor-made training, and will offer a platform for dialogue and networking activities. Its full programme will commence in the academic year 2011/2012.

82. The Secretariat is currently exploring the possibility of establishing e-learning programmes on asset recovery.

83. In 2011, an informal group of anti-corruption experts supported by UNODC, OECD, the International Bar Association and other relevant institutions, launched an initiative to develop a comprehensive set of educational materials on corruption as an open-source tool for universities and other educational institutions to facilitate and enhance the incorporation of corruption-related issues into academic curricula. The materials are being developed in close cooperation with the Global Compact Office and the Principles for Responsible Management Education initiative, which are developing anti-corruption guidelines for management schools.

84. UNODC has forged additional partnerships with other organizations and bodies for the purpose of coordinating technical assistance activities relating to asset recovery, including IAACA, the Organization of American States, the Asia-Pacific Economic Cooperation and the Organization for Security and Cooperation in Europe, as well as with the Government of Switzerland through the Lausanne process. UNODC has also been actively involved in those efforts through its work with the OECD Development Assistance Committee and the Anti-Corruption Task Team of that Committee's Network on Governance (GOVNET).

## 2. Preparing for the review of implementation of chapter V of the Convention

85. Recognizing that chapter V of the Convention will be reviewed during the second cycle of the Implementation Review Mechanism, the Working Group has stressed the importance of preparing States parties for the review of implementation of that chapter and structuring its work accordingly. For that purpose, the Working Group has recommended that the Secretariat develop, through the StAR Initiative or other relevant initiatives, a multi-year workplan.

### *Action taken*

86. A proposed workplan was submitted for consideration by the Working Group at its meeting held in August 2011.

## III. Reporting and follow-up

87. The Conference may wish to provide guidance on the further implementation of its resolutions on asset recovery and the recommendations of the Working Group, including on the modalities for establishing a global network of asset recovery focal points under the Convention while avoiding duplication with, and recognizing the work of, existing networks.

88. The Conference may further wish to discuss ways and means of adequately preparing States parties for the review of implementation of chapter V of the Convention.

89. With regard to the need to enhance cumulative knowledge relating to asset recovery, the Conference may wish to discuss areas in which further knowledge products could be developed.

90. The Conference may wish to provide guidance on the role of UNODC and the StAR Initiative in the delivery of training and technical assistance and encourage States to take advantage of available opportunities for capacity-building in the area of asset recovery.

91. The Conference may wish to renew the mandate of the Working Group before the sixth session of the Conference of the States Parties, to be held in 2015, and to adopt a multi-year workplan to structure its work. It may further wish to request the Secretariat to continue its practice of preparing regular reports on progress made in that regard.

92. The Conference may wish to determine further steps to enable the Working Group to provide a forum for discussions on the practical aspects of asset recovery, including challenges and good practices.