



General Assembly

Distr.: General
9 June 2010

Original: English

Sixty-fifth session

Items 22 (b) and 107 of the preliminary list*

Globalization and interdependence: preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption

Crime prevention and criminal justice

Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption

Report of the Secretary-General

Summary

The present report has been prepared pursuant to General Assembly resolution 64/237, entitled “Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption”. It contains information on the outcome of the third session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Doha from 9 to 13 November 2009, with emphasis on the establishment of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption (Conference resolution 3/1). The report also contains information on initiatives taken to accumulate knowledge on the measures taken by States to prevent and combat corruption. It further contains information on certain anti-corruption and asset recovery initiatives and partnerships, namely the joint United Nations Office on Drugs and Crime/World Bank Stolen Asset Recovery Initiative, the International Anti-Corruption Academy, the work with the private sector, technical assistance for the implementation of the Convention and matters related to resources.

* A/65/50.



Contents

	<i>Page</i>
I. Introduction	3
II. United Nations Convention against Corruption	4
A. Status of ratification	4
B. Third session of the Conference of the States Parties to the United Nations Convention against Corruption	5
1. Review mechanism (resolution 3/1)	5
2. Preventive measures (resolution 3/2)	7
3. Asset recovery (resolution 3/3)	7
4. Technical assistance (resolution 3/4)	8
III. Accumulating knowledge on the measures taken by States to prevent and combat corruption	8
A. Self-assessment checklist	9
B. Legal library	9
C. Knowledge Management Consortium	10
IV. International cooperation: anti-corruption and asset recovery initiatives and partnerships ...	10
A. Stolen Asset Recovery Initiative	10
1. Lowering the barriers to asset recovery by accumulating knowledge and supporting practitioners' networks for asset recovery	10
2. Building national capacity for asset recovery	13
3. Preparatory assistance in the recovery of assets	13
B. International Anti-Corruption Academy	14
C. Cooperation with the private sector	15
D. Technical assistance for the implementation of the Convention	16
V. Resources	17
VI. Conclusions and recommendations	17

I. Introduction

1. In its resolution 64/237, the General Assembly urged all Member States and competent regional economic integration organizations that had not yet done so to consider ratifying or acceding to the United Nations Convention against Corruption,¹ and called upon all States parties to fully implement the Convention. The Assembly also urged Member States to combat and penalize corruption as well as the laundering of proceeds of corruption, to prevent the transfer of illicitly acquired assets and to work for the prompt return of such assets. It welcomed the conclusion and successful outcome of the third session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Doha from 9 to 13 November 2009, especially the establishment of a review mechanism for the implementation of the Convention. It called upon States parties to fully implement the outcomes of the Conference, in particular the review mechanism, in accordance with the terms of reference adopted by the Conference. It took note with appreciation of the work of the Open-ended Intergovernmental Working Groups on Asset Recovery, Technical Assistance and Review of the Implementation of the United Nations Convention against Corruption and the open-ended dialogue with international organizations, and called upon States parties to support the work of the newly established Implementation Review Group and the also newly established Open-ended Intergovernmental Working Group on Prevention of Corruption, as well as the continuing work of the Open-ended Intergovernmental Working Group on Asset Recovery. It also took note with appreciation of the decision of the Conference to accept the offer by the Governments of Morocco and Panama to host its fourth and fifth sessions in 2011 and 2013, respectively. The General Assembly encouraged Member States that had not yet done so to enact laws and implement measures to fight corruption in all its forms and stressed the need for transparency in financial institutions. It invited Member States to work on the identification and tracing of financial flows linked to corruption, the freezing or seizing of assets derived from corruption and the return of such assets, and encouraged the promotion of human and institutional capacity-building in that regard. It urged all Member States to abide by the principles of proper management of public affairs and public property and the need to safeguard integrity. Furthermore, it urged Member States to foster a culture of transparency, accountability and rejection of corruption; stressed the importance of mutual legal assistance and encouraged Member States to enhance international cooperation; and called for further international cooperation, inter alia, through the United Nations system, in support of national, subregional and regional efforts to prevent and combat corrupt practices and the transfer of assets of illicit origin, and, in that regard, encouraged close cooperation between anti-corruption agencies, law enforcement agencies and financial intelligence units. It requested the Secretary-General to continue to provide the United Nations Office on Drugs and Crime (UNODC) with the resources necessary to enable it to promote, in an effective manner, the implementation of the Convention and to discharge its functions as the secretariat of the Conference, and also requested the Secretary-General to ensure that the new mechanism for the review of implementation of the Convention is adequately funded, in line with the resolution adopted by the Conference. It reiterated its call upon the private sector, at both the international and

¹ United Nations, *Treaty Series*, vol. 2349, No. 42146.

the national levels, to remain fully engaged in the fight against corruption, noted in that regard the role that the Global Compact could play and emphasized the need for all relevant stakeholders to continue to promote corporate responsibility and accountability; took note of the holding of the sixth Global Forum on Fighting Corruption and Safeguarding Integrity, held in Doha on 7 and 8 November 2009; requested the international community to provide, inter alia, technical assistance to support national efforts to strengthen human and institutional capacity aimed at preventing and combating corrupt practices and the transfer of assets of illicit origin as well as for asset recovery, and to support national efforts in formulating strategies for mainstreaming and promoting transparency and integrity in both the public and private sectors. The General Assembly took note with appreciation of the Stolen Asset Recovery (StAR) Initiative of UNODC and the World Bank, and encouraged coordination among existing initiatives; it also took note of the partnership to establish the International Anti-Corruption Academy, to serve as a centre of excellence for the education, training and academic research in the field of anti-corruption, including in the area of asset recovery. It decided to include in the provisional agenda of its sixty-fifth session, under the item entitled “Globalization and interdependence”, the sub-item entitled “Preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption”.

2. Pursuant to General Assembly resolution 63/226, a report of the Secretary-General on preventing and combating corrupt practices and transfer of assets of illicit origin and returning such assets, in particular to the countries of origin, was submitted to the Assembly at its sixty-third session (A/64/122). Other reports on the subject had been submitted to the Assembly at its fifty-sixth to sixty-third sessions (A/56/403 and Add.1, A/57/158 and Add.1 and 2, A/58/125, A/59/203 and Add.1, A/60/157, A/61/177, A/62/116 and A/63/88).

3. The present report contains an update on the status of adherence to the Convention against Corruption. It contains information on the outcome of the third session of the Conference and on the instruments developed to gather information on the implementation efforts undertaken by Member States. It also contains information on anti-corruption and asset recovery initiatives and partnerships, namely the joint UNODC/World Bank StAR Initiative, the International Anti-Corruption Academy, the work with the private sector and technical assistance for the implementation of the Convention. The report further contains information on resources provided to UNODC and concludes with recommendations on the way forward.

II. United Nations Convention against Corruption

A. Status of ratification

4. As at 20 May 2010, there were 140 signatories and 144 parties to the Convention against Corruption.

B. Third session of the Conference of the States Parties to the United Nations Convention against Corruption

5. Over 100 States parties participated in the third session of the Conference. The main outcome of the session was the establishment of the Mechanism for the Review of Implementation of the Convention (Conference resolution 3/1). In addition, the Conference adopted resolutions on preventive measures (resolution 3/2), asset recovery (resolution 3/3) and technical assistance (resolution 3/4).

1. Review mechanism (resolution 3/1)

6. The establishment of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption was a milestone in the history of the Convention and irrefutable proof of the strong engagement of all States parties. In its resolution 3/1, the Conference adopted the terms of reference of the Review Mechanism and draft guidelines for governmental experts and the secretariat in the conduct of country reviews and the draft blueprint for country review reports, to be finalized by the Implementation Review Group. The Review Mechanism is an intergovernmental process to promote the goals of the Convention, provide the Conference with information on the measures taken and difficulties encountered by States parties in implementing the Convention, help States parties to identify technical assistance needs, and promote international cooperation and the exchange of information, good practices and experiences gained in the implementation of the Convention. The review is structured in phases and cycles; each review phase is composed of two review cycles of five years each. During the first review cycle, chapters III (Criminalization and law enforcement) and IV (International cooperation) will be reviewed and, during the second cycle, chapters II (Preventive measures) and V (asset recovery) will be reviewed.

7. A comprehensive self-assessment checklist will be used to facilitate the provision of information on implementation of the Convention. The Conference requested the Secretariat to finalize and distribute the checklist, using as a model the draft comprehensive self-assessment checklist presented to the Conference at its third session. UNODC has finalized the comprehensive self-assessment checklist, which can be downloaded from the UNODC website² and is described in greater detail in paragraphs 19 and 20 below.

8. Each State party will be reviewed by two other States parties, of which one will be from the same geographical region as the State party under review. Each State party shall appoint up to 15 governmental experts for the purpose of the review process, a list of which will be compiled and circulated by the Secretariat. As at 26 May 2010, this list contained experts from 78 States parties. The selection of States parties to be reviewed and that will review others in a specific year is carried out by drawing lots at the beginning of each year of the review cycle. The initial draw will be carried out during the first meeting of the Implementation Review Group, to be held in Vienna from 28 June to 2 July 2010.

9. The reviewing States parties are expected to carry out a desk review of the responses provided by the State party under review to the comprehensive

² Available from www.unodc.org/unodc/en/treaties/CAC/self-assessment.html.

self-assessment checklist focusing the analysis on measures taken to implement the Convention and on successes in and challenges of such implementation. The reviewing State parties may request the State party under review to provide clarifications or additional information. The ensuing constructive dialogue may be carried out, *inter alia*, by way of conference calls, videoconferences or e-mail exchanges. If agreed by the State party under review, the desk review would be complemented with any additional means of direct dialogue, such as a country visit or a joint meeting at the United Nations Office at Vienna. The reviewing States parties will prepare a country review report on the basis of the blueprint adopted by the Conference, in close cooperation and coordination with the State under review and with the assistance of the Secretariat. The country report will include an executive summary, which will be made available in the six official languages of the United Nations and as a document of the Implementation Review Group for information purposes. While the report will remain confidential, the State party under review is encouraged to exercise its sovereign right to publish its country review report or part thereof. The Secretariat will compile the most common and relevant information on successes, good practices, challenges, observations and technical assistance needs contained in the country review reports and include them, organized by theme, in a report on implementation.

10. The Implementation Review Group, an open-ended intergovernmental group of States parties, oversees the review process in order to identify challenges and good practices and consider technical assistance requirements. It acts under the authority of the Conference. The Group will be in charge of following up on and continuing the work undertaken previously by the Open-ended Intergovernmental Working Group on Technical Assistance. At its first meeting, the Implementation Review Group will address the finalization of the guidelines for governmental experts and the blueprint for the country review reports; the selection, by drawing of lots, of the States parties to be reviewed during the first review year (35 countries) and those tasked with carrying out reviews; the resource requirements of the Review Mechanism; and technical assistance.

11. In its resolution 3/1, the Conference underlined that the mechanism would require a budget that ensured its efficient, continued and impartial functioning and recommended that the General Assembly finance the staffing requirements of the Secretariat necessary to implement the Review Mechanism through the reallocation of existing resources of the regular budget of the United Nations for the biennium 2010-2011. The General Assembly reflected the need for additional resources for the implementation of Conference resolution 3/1 in the programme budget for the biennium 2010-2011 (see para. 52 below).

12. In the terms of reference of the Review Mechanism, it was outlined that requirements relating, *inter alia*, to country visits, joint meetings at the United Nations Office at Vienna and the training of experts, should be funded by voluntary contributions free of conditions and influence. In its resolution 3/1, the Conference requested the Secretary-General to propose to the Implementation Review Group, for its consideration and decision at its first meeting, further means of funding the implementation of the Mechanism. It decided that the Implementation Review Group should consider the resource requirements for the functioning of the Mechanism for the biennium 2012-2013. A proposed budget for the Mechanism for

the biennium 2012-2013 will be discussed by the Implementation Review Group at its first meeting.

2. Preventive measures (resolution 3/2)

13. Conference resolution 3/2, on preventive measures, focuses on a topic to which the Conference had decided to give added prominence. In that resolution, the Conference requested the Secretariat to collect, analyse and disseminate information on good practices in the field of prevention of corruption, existing regulation models for the public sector and methodologies, including evidence-based approaches for assessing areas of special vulnerability to corruption, as well as to collect information on best practices for promoting responsible and professional reporting on corruption for journalists. It called upon the Secretariat to intensify cooperation and coordination in the provision of technical assistance in preventing corruption and requested the Secretariat to continue its efforts to assist international organizations with their implementation of the principles of the Convention. It strongly encouraged States parties to integrate anti-corruption policies in broader reform strategies; called upon States parties to ensure the existence of anti-corruption bodies in accordance with article 6 of the Convention and to promote the business community's engagement in the prevention of corruption. It invited States parties to consider the use of computerized systems to govern public procurement and to track and identify suspect cases; urged States parties to raise public awareness of corruption and called upon them to enhance dialogue and synergies with other stakeholders outside the public sector and promote educational programmes.

14. UNODC has conducted a number of awareness-raising activities. Notable examples include the joint UNODC/United Nations Development Programme (UNDP) awareness-raising campaign "Your no counts", which focuses on the effect of corruption on development, democracy, the rule of law, human rights, markets, quality of life and human security,³ and the Global Youth Forum, which brought together youths aged 14-17 from a number of countries and was held in Doha on 7 and 8 November 2009, in parallel to the sixth Global Forum on Fighting Corruption and Safeguarding Integrity. The conclusions of the Global Youth Forum were presented to the Global Forum and were noted with appreciation.

15. The Conference decided to establish an interim open-ended intergovernmental working group on the prevention of corruption. The newly established Working Group on Prevention of Corruption will hold its first meeting from 13 to 15 November 2010. The Secretariat will provide the Working Group with a background note outlining ongoing initiatives and proposing concrete activities for the implementation of the mandates contained in resolution 3/2, with a view to receiving guidance on the methodology and priorities States parties wish to adopt.

3. Asset recovery (resolution 3/3)

16. In its resolution 3/3, the Conference urged States parties to take a proactive approach to international cooperation and to promote informal channels of communication by, inter alia, designating officials or institutions as focal points to

³ See www.unodc.org/yournocounts.

assist their counterparts in mutual legal assistance, and encouraged that those focal points come together to promote communication, coordination and the development of best practices. It called on States parties that had not yet done so to designate a central authority as required by article 46, paragraph 13 of the Convention. It urged States parties to ensure that procedures for international cooperation allowed for the seizure and restraint of assets for a time period sufficient to preserve assets during foreign proceedings, to expand cooperation in the enforcement of foreign judgements and to strengthen institutional capacities in the field of asset recovery. It encouraged States parties to remove barriers to asset recovery by ensuring that financial institutions adopt and implement effective standards of customer due diligence and the identification of beneficial ownership and by establishing effective procedure for financial disclosure. The Conference urged further study and analysis of the results of asset recovery actions and of the legal presumptions, measures to shift the burden of proof and illicit enrichment offences, and urged States parties to document and disseminate successful asset recovery experiences. A draft study on legal presumptions, measures to shift the burden of proof and illicit enrichment will be submitted to the Open-ended Intergovernmental Working Group on Asset Recovery at its fourth meeting, which will be held on 16 and 17 December 2010.

4. Technical assistance (resolution 3/4)

17. The Conference, in its resolution 3/4, urged States parties and other donors to provide technical assistance for the implementation of the Convention. It also urged States parties and signatories to exchange expertise, experiences and lessons learned with respect to providing technical assistance in the area of combating and preventing corruption. It encouraged States parties and signatories to continue to identify and communicate to UNODC the relevant information about anti-corruption experts so that the Office could include those experts in its database of anti-corruption expertise. As at 26 May 2010, the database contained information on anti-corruption experts submitted by 41 States parties. UNODC is working to make the database a secure online tool. The Conference endorsed country-led and country-based, integrated and coordinated technical assistance programme delivery, encouraged donors to use the Convention and, as appropriate, other relevant international instruments as a framework for country-level dialogue to facilitate programme delivery. The Conference urged donors to continue to provide resources to assist UNODC in order to further the implementation of the Convention, encouraged States and UNODC to continue to develop and promote coordinated partnerships, including between the public and private sectors, and encouraged donors to accord high priority to technical assistance for the implementation of the Convention. In addition, it requested UNODC to continue to share information on technical assistance needs compiled on the basis of responses to the self-assessment checklist and to promote synergies with providers of technical assistance.

III. Accumulating knowledge on the measures taken by States to prevent and combat corruption

18. In the resolutions it adopted at its third session, the Conference underlined the importance of generating, aggregating and disseminating knowledge on measures taken by States to prevent and combat corruption. It endorsed the comprehensive

self-assessment checklist and expressed appreciation for the blueprint of the legal library and the Knowledge Management Consortium.

A. Self-assessment checklist

19. The comprehensive, computer-based self-assessment checklist developed by UNODC is the main tool for gathering information on measures taken to implement the Convention and on technical assistance needs and ongoing activities, while also being the backbone of the Review Mechanism. In addition, validated legal data submitted through the checklist will also be stored in the legal library.

20. The comprehensive self-assessment checklist is based on the experiences gained from the initial, somewhat limited, self-assessment checklist launched on 15 June 2007, which covered 15 articles of the Convention and had been completed by 87 States parties as at 13 May 2010. The checklist is the result of a broad-based consultative process over three expert group meetings — held in Vancouver, Canada, from 15 to 17 April 2008; Vienna, on 23 and 24 February 2009; and Toronto, Canada, on 28 September 2009 — organized in partnership with the International Centre for Criminal Law Reform and Criminal Justice Policy. The checklist was tested by 37 volunteer States parties between March and June 2009. After it was endorsed by the Conference at its third session, the checklist was finalized and the English version was posted on the UNODC website.⁴ The comprehensive self-assessment tool will be launched in the six official languages of the United Nations at the first meeting of the Implementation Review Group.

B. Legal library

21. Building on information elicited through the self-assessment checklist, the legal library has been designed to gather, organize, analyse and disseminate updated and validated legal knowledge. As such, the library is developing as an electronic repository of corruption-related information, including anti-corruption laws related to the requirements of the Convention, regulations, administrative practices and cases. It is administered by UNODC and supported by the StAR Initiative, thus enabling greater public access to legal information generated by the Review Mechanism.

22. The objective of the legal library is not only to collect national legislation, but also to demonstrate in a practical and user-friendly way how each State has implemented the provisions of the Convention and which tasks still lie ahead. UNODC has collected an initial data set of laws from 97 States and has conducted a detailed analytical breakdown of how that legislation relates to the provisions of the Convention. The legal library is expected to become publicly available in the last quarter of 2010.

⁴ Available from www.unodc.org/unodc/en/treaties/CAC/self-assessment.html.

C. Knowledge Management Consortium

23. The key objective of the Knowledge Management Consortium is to provide a Web-based portal and collaborative forum to facilitate the collection and dissemination of knowledge related to the Convention. Administered by UNODC and supported by the StAR Initiative, the Consortium will be a platform of legal and non-legal knowledge on anti-corruption and asset recovery matters that bring together reputable regional and international institutions. This will enable Member States, the anti-corruption community and the general public to access from one place information generated by such institutions that is useful in countering corruption and in recovering assets. A non-exclusive list of organizations active in the field of anti-corruption includes the International Association of Anti-Corruption Authorities, UNDP, the World Bank, the Asian Development Bank, the Organization for Economic Cooperation and Development, the Basel Institute on Governance, the U4 Anti-Corruption Resource Centre and UNODC. Like the legal library, the Consortium will be fully compatible with other anti-corruption and asset recovery tools and applications, such as the International Criminal Police Organization (INTERPOL)/StAR Initiative database of asset recovery focal points and the expanded version of the Mutual Legal Assistance Request Writer Tool currently under development. Microsoft provided the technology necessary to develop such a blueprint as a pro bono contribution to the anti-corruption work of the United Nations. UNODC is exploring the possibility of expanding its partnership with Microsoft in order to develop the entire portal, which is expected to be launched in the last quarter of 2010.

IV. International cooperation: anti-corruption and asset recovery initiatives and partnerships

A. Stolen Asset Recovery Initiative

24. The StAR Initiative is based on a formal agreement reached between the World Bank and UNODC in September 2007. The goal of the Initiative is to encourage and facilitate the systematic and timely return of assets that are proceeds of corruption and to improve global performance in the return of stolen assets. It is financed by voluntary contributions to UNODC from Canada, Germany, Luxemburg, the United Kingdom of Great Britain and Northern Ireland and the United States of America and voluntary contributions to a World Bank-administered trust fund from Australia, France, Norway, Sweden and Switzerland. Using the Convention against Corruption as its legal framework, the Initiative focuses on three core components: (a) lowering the barriers to asset recovery by accumulating knowledge and supporting practitioners' networks for asset recovery; (b) building national capacity for asset recovery; and (c) providing preparatory assistance aimed at collecting and sharing information to encourage the progress of a country's specific asset recovery efforts.

1. Lowering the barriers to asset recovery by accumulating knowledge and supporting practitioners' networks for asset recovery

25. The StAR Initiative advocates the lowering of barriers to asset recovery in three ways: first, it develops practical tools and good-practice guides to help

practitioners with asset recovery cases; second, it conducts focused policy studies on innovative aspects of asset recovery; and, third, it supports the creation of networks of asset recovery practitioners in order to create confidence and trust and enhance cooperation between contact persons. The Initiative's knowledge products are developed with the collaborative assistance of expert practitioners, who typically include investigators, prosecutors, lawyers, magistrates, financial sector regulators and supervisors. They come from diverse backgrounds, representing civil and common law systems, as well as developed and developing countries, and make their contributions through expert group meetings, consultations and peer reviews.

26. The guide *Stolen Asset Recovery — Income and Asset Declarations: Tools and Trade-Offs*⁵ was presented at the third session of the Conference. It was developed to broaden the approach to asset recovery and to link that work closely to governance and anti-corruption strategies. A second volume, to be published in 2010, will contain examples from a number of developed and developing countries that will be examined through case studies addressing different dimensions.

27. The good-practice guide *Stolen Asset Recovery: A Good Practices Guide for Non-Conviction Based Asset Forfeiture*,⁶ which was published in English in April 2009, was published in Spanish in May 2009.⁷

28. The StAR Initiative is developing an asset recovery handbook to help practitioners with the strategic, organizational, investigative and legal challenges of international asset recovery. The handbook is expected to be finalized in the last quarter of 2010.

29. Other practical tools currently being developed by the StAR Initiative include the legal library and the Knowledge Management Consortium (see paras. 21-23 above). The Initiative is also looking into the technological and substantive requirements of expanding UNODC's Mutual Legal Assistance Request Writer Tool, in particular to include asset recovery aspects.

30. In addition, the Initiative conducts focused policy studies on innovative aspects of asset recovery to inform policymaking in both requesting and requested States. A number of these policy studies were finalized and presented at the third session of the Conference, in November 2009. Among them is a study entitled *Stolen Asset Recovery — Towards a Global Architecture for Asset Recovery*,⁸ in which the roles and functions of national and international bodies engaged in asset recovery are outlined with a view to identify gaps, overlaps and potential areas for collaboration. Attention is drawn to institutions ready to support, facilitate and promote international collaboration for asset recovery, and some of the measures that national authorities and international bodies can undertake to accelerate the pace at which assets are returned are laid out.

⁵ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/5570284-1257172052492/ADIncomeasset.pdf?resourceurlname=ADIncomeasset.pdf>.

⁶ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/NCBGuideFinalEBook.pdf>.

⁷ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/ActivosRobados.pdf>.

⁸ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/5570284-1257172052492/GlobalArchitectureFinalwithCover.pdf?resourceurlname=GlobalArchitectureFinalwithCover.pdf>.

31. The publication *Stolen Asset Recovery — Management of Returned Assets: Policy Considerations*⁹ is designed to help States with the management of returned assets and to provide analytical elements to inform decisions by policymakers about available options and best models that can be used for this purpose.

32. The study *Stolen Asset Recovery — Politically Exposed Persons: A Policy Paper on Strengthening Preventive Measures*¹⁰ examines how the financial sector can strengthen due diligence with respect to politically exposed persons, individuals entrusted with carrying out prominent public functions. The study addresses the obligations of States parties, especially under article 52 of the Convention, on the prevention and detection of transfers of proceeds of crime. In addition, it examines the measures that financial institutions can implement to address the risk of doing business with politically exposed persons, the due diligence and other policies financial institutions should have in place and the interaction with financial intelligence units, law enforcement agencies and anti-corruption units.

33. Further publications under development by the StAR Initiative include a study on the misuse of vehicles owned by corporate entities such as limited companies, trusts or foundations for the purposes of laundering the proceeds of corruption and measures that can be taken to ensure greater transparency with regard to beneficial ownership. Another study will be carried out on barriers to asset recovery in requested States, in particular in financial centres, to provide information useful in the design and implementation of policies and action plans for lowering the barriers to asset recovery in financial centres and assisting practitioners in requesting jurisdictions to better understand challenges in requested jurisdictions. In response to Conference resolution 3/3, in which the Conference urged the further study and analysis of how legal presumptions, measures to shift the burden of proof and the examination of illicit enrichment frameworks could facilitate the recovery of the proceeds of corruption, such a study is being conducted. The resulting policy and legal implications are also being studied.

34. The Asset Recovery Focal Point Database, established by the StAR Initiative in partnership with INTERPOL, was launched on 19 January 2009 as a focal point contact list of officials who can respond to emergency requests for assistance 24 hours a day, 7 days a week. The database currently includes data on 74 countries. Those Governments that have not already done so are encouraged to include their countries in this database, by providing information through their INTERPOL national central bureau.

35. To complement the Asset Recovery Focal Point Database, the StAR Initiative supports the creation of regional networks modelled on the Camden Asset Recovery Inter-Agency Network of judicial and law enforcement expert practitioners in Europe for criminal asset tracing, freezing, seizure and confiscation established in 2004. UNODC facilitated the establishment, in March 2009, of the Asset Recovery Inter-Agency Network of Southern Africa, a regional network modelled on the Camden Asset Recovery Inter-Agency Network comprising prosecutors and law enforcement officers working on asset forfeiture cases, and supported the

⁹ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/5570284-1257172052492/ManagementReturnedAssets.pdf?resourceurlname=ManagementReturnedAssets.pdf>.

¹⁰ Available from <http://siteresources.worldbank.org/EXTSARI/Resources/5570284-1257172052492/PEPs-ful.pdf?resourceurlname=PEPs-ful.pdf>.

establishment of a similar asset confiscation network in the context of the Financial Action Task Force of South America against Money Laundering (GAFISUD) in December 2009. The Regional Conference on Asset Recovery in Latin America and the Caribbean: Setting the Agenda for Regional Cooperation, held in Buenos Aires from 11 to 13 August 2009, was attended by participants from 24 countries who highlighted the importance of formal and informal contacts with institutions at the international level made through liaison offices and networks. At regional conferences organized in the framework of the StAR Initiative, participants from South-Eastern Europe and the Middle East and North Africa recognized the need to form networks for asset recovery. At a regional conference to be held in Dakar in September 2010 efforts will be made to facilitate the establishment of a regional network for asset recovery in West Africa.

36. The Open-ended Intergovernmental Working Group on Asset Recovery, established by the Conference, has repeatedly highlighted the importance of the work being done on the establishment of a global network of focal points for asset recovery and recommended that means of amending the INTERPOL/StAR Initiative Asset Recovery Focal Point Database be explored. As a result, UNODC requested Governments to submit information on asset recovery focal points whom they would like to have included in the database, describing their functions, as well as indicating their availability.

2. Building national capacity for asset recovery

37. The StAR Initiative has financed or co-financed regional workshops in East Africa, South-East Asia, Latin America, South-Eastern Europe, the Middle East and North Africa, and Central America. The workshops have sought to raise awareness of the asset recovery agenda, share experiences and address technical issues identified as priorities by participants. The regional workshops have facilitated discussions about regional networks of practitioners. Plans are under way for a West Africa regional programme and a cooperative regional event for the island nations in the Pacific.

38. In addition to the regional workshops, the StAR Initiative has sponsored more in-depth, technical and team-building training events in seven countries. These events have focused on the skills required for tracing asset and providing mutual legal assistance.

39. The StAR Initiative has also supported South-South cooperation on asset recovery. One approach has been to sponsor the participation of practitioners in asset recovery training events held in one country that are organized and delivered by another, neighbouring country. This approach helps build trust and familiarize practitioners with the procedures used by their counterparts. Another approach currently being tested consists of developing a train-the-trainer programme involving five countries in East Africa, where the national authorities are carrying out self-assessments to identify training needs and areas for potential collaboration in meeting those needs.

3. Preparatory assistance in the recovery of assets

40. The StAR Initiative provides technical assistance in the preparatory stages of asset recovery proceedings. The goal is to facilitate progress in asset recovery

efforts and inform national authorities' decision-making. This entails fostering country-level dialogue and technical assistance by, for example, sponsoring meetings and workshops that bring together the parties involved at the national, regional and international level, as necessary, and providing advisory services to support the preparation of analytical reports, legal research and mutual legal assistance requests. As at May 2010, the StAR Initiative has received formal requests for assistance from 23 States and is discussing with others. Not all the requests mature into programmes of assistance, as in some cases the requesting State's needs can be met more effectively through longer-term capacity-building programmes. The way in which the Initiative becomes engaged varies: in some countries, assistance has been geared towards putting in place legislation to facilitate asset recovery and building inter-agency teams to support investigations and asset recovery; in other countries, assistance has taken the facilitation of contacts between national authorities and financial centres, assisting in the formulation of and follow-up on requests for mutual legal assistance and providing hands-on capacity-building in asset tracing and legal cooperation. The kind of assistance provided by the Initiative tends to evolve from advice on institutional and legislative issues to more operational assistance. However, this path is by no means always linear and countries that have sought assistance in asset recovery cases have not always decided to initiate or pursue legal proceedings.

B. International Anti-Corruption Academy

41. UNODC, in partnership with the Government of Austria and with support from the European Anti-Fraud Office (OLAF), is working towards the establishment of the International Anti-Corruption Academy. The Academy will be the world's first educational institution dedicated to fighting corruption within the framework of the Convention against Corruption. It will serve as a centre of excellence for anti-corruption research, degree-based learning and the development of policies and procedures to prevent and combat corruption. The curriculum will embrace diverse cultural traditions and focus on country-specific investigative training. Since the teaching will be based on the Convention, asset recovery will feature prominently in the curricula of this institution, and asset recovery training under the StAR Initiative will be coordinated with the training courses offered at the Academy.

42. Initially, the Academy will offer short module-based courses tailor-made according to specific requests, needs and case studies. The courses are expected to be sufficiently flexible to allow students to pursue their careers and studies at the same time. The academy will eventually offer academic degrees. The academy will aim to provide training to a wide variety of stakeholders, including people who play a key role in preventing and fighting corruption in their countries, i.e. law enforcement officers, judicial, governmental and private sector personnel and representatives of non-governmental, civil society and international organizations. It will be hosted by the Austrian Government in Laxenburg, near Vienna, and is expected to open its doors in the last quarter of 2010.

C. Cooperation with the private sector

43. The role of the private sector in the fight against corruption continues to be regarded as crucial. In its resolution 3/2, adopted at its third session, the Conference highlighted the role of the private sector, calling upon States to promote the business community's engagement in the prevention of corruption, and the role of procurement systems. The Conference also referred to the private sector in its resolution 3/3, on asset recovery, encouraging States parties to ensure that financial institutions adopt and implement effective standards of due diligence and financial disclosure. In its resolution 3/4, on technical assistance, it encouraged the development and promotion of coordinated partnerships, including between the public and private sectors (see paras. 13-17 above).

44. The sixth Global Forum on Fighting Corruption and Safeguarding Integrity was held in Doha on 7 and 8 November 2009, immediately prior to the third session of the Conference. At the Forum, participants placed considerable emphasis on the contribution that the private sector could make to the fight against corruption and explored means of forging alliances between the private sector and the donor community. The outcome of the Forum was brought to the attention of the Conference at its third session.

45. After the fourth meeting of the working group on the tenth principle of the Global Compact, held in February 2009, UNODC continued to contribute to the implementation of the tenth principle, on anti-corruption. In particular, UNODC contributed to a guide to facilitate companies' reporting on the tenth principle, a tool to prevent and fight corruption along the supply chain and a campaign waged by top business leaders in support of the Convention. At its fifth meeting, held in Doha on 5 and 6 November 2009, the working group on the tenth principle reviewed and made progress on this work. The "reporting guidance on the 10th principle against corruption" and a guide to fight corruption in the supply chain are expected to be endorsed at the third Global Compact Leaders Summit, due to take place in New York in June 2010.

46. UNODC and the Global Compact are developing an anti-corruption e-learning tool. The programme aims at disseminating knowledge of anti-corruption matters, in particular of the Convention against Corruption, and will contribute to capacity-building and awareness-raising efforts in support of the corporate community. The tool, which is expected to be launched at the third Global Compact Leaders Summit, will be distributed to all businesses participating in the Global Compact and will be available free of charge from the websites of both entities.

47. A joint publication by UNODC and PricewaterhouseCoopers entitled *Anti-Corruption Policies and Measures of the Fortune Global 500* was released in September 2009. The research was carried out by PricewaterhouseCoopers as a pro bono contribution to the anti-corruption work of the United Nations. The study provides an overview of the measures that companies listed in the 2008 Fortune Global 500 index have adopted to combat economic crime and corruption. It serves as an inspirational tool for companies that wish to adopt and enforce effective anti-corruption policies but may not possess the necessary know-how or who wish to review and enhance their existing measures.

48. There is an ongoing dialogue with Microsoft regarding a pro bono contribution to the development of the technological infrastructure of the legal library and the Knowledge Management Consortium (see paras. 21-23 above). UNODC is working to develop and promote coordinated partnerships with the private sector to leverage resources for advancing technical assistance efforts for the implementation of the Convention, pursuant to Conference resolution 3/4. UNODC has also continued to consult with Transparency International and the International Chamber of Commerce on the alignment of their business principles to the fundamental principles enshrined in the Convention.

D. Technical assistance for the implementation of the Convention

49. UNODC has continued to expand its technical assistance portfolio, providing technical assistance to over 40 countries. Such assistance includes legislative assistance, legal advisory services, the development of anti-corruption policies, capacity-building, enhancing integrity in the criminal justice system and awareness-raising. Planning and delivery of technical assistance programmes for the implementation of the Convention will be gradually integrated into the framework defined by the Conference at its third session and the priorities that will be identified through the Mechanism for the Review of Implementation of the Convention against Corruption. In addition, technical assistance will be provided in the framework of the UNODC regional and thematic programmes to support the efforts of Member States to respond to human security threats and promote good governance.

50. In its resolution 3/4, the Conference endorsed country-led and country-based, integrated and coordinated technical assistance and encouraged States, donors and other assistance providers to use the Convention and, as appropriate, other relevant international instruments as a framework for country-level dialogue to facilitate programme delivery. To that end, a small number of pilot countries volunteered to study how tools used to assess the implementation of the Convention could assist in identifying and coordinating the provision of technical assistance. The purpose of the study was to enhance the quality of the technical assistance provided to Member States by taking forward key recommendations made by the Working Group on Technical Assistance and during the third session of the Conference of the States parties, as set out in its resolution 3/4. In particular, the study was aimed at assisting participating countries in developing an action plan for integrated and coordinated technical assistance that addressed the identified needs and took into consideration donor assistance in furthering the implementation of the Convention. Preliminary findings of the study will be presented to the Implementation Review Group at its first meeting.

51. In addition, UNODC, together with other multilateral and bilateral donors, is exploring ways in which the comprehensive self-assessment checklist, as the central analysis tool on the implementation of the Convention, could be used for comprehensive technical assistance needs assessments.

52. According to the information received through the self-assessment reports, technical assistance for the implementation of the Convention is being provided by Canada, Denmark, France, Germany, the Netherlands, Sweden, Switzerland, the

United Kingdom and the United States, as well as by the Asian Development Bank, the Commonwealth Secretariat, the Council of Europe, the European Commission, the Financial Action Task Force on Money Laundering and relevant regional bodies such as the Financial Task Force of South America against Money-Laundering and the Eastern and Southern Africa Anti-Money-Laundering Group, the Inter-American Development Bank, the International Monetary Fund, the Organization for Economic Cooperation and Development, the Organization for Security and Cooperation in Europe and the Organization of American States. The United Nations is providing technical assistance for the implementation of the Convention through entities such as UNODC, UNDP and the World Bank.

V. Resources

53. Following the third session of the Conference of the States parties, the Secretary-General submitted, on 14 December 2009, a statement on the programme budget implications of draft resolution A/C.2/64/L.64, in accordance with rule 153 of the rules of procedure of the General Assembly.¹¹ The statement contained the additional expenditures derived from Conference resolution 3/1. The Fifth Committee considered the programme budget implications of draft resolution A/C.2/64/L.64 at its twenty-first and twenty-second meetings, on 18 and 23 December 2009.¹² The Fifth Committee informed the General Assembly that additional resources amounting to \$1,689,300 would be required under section 16, International drug control, crime and terrorism prevention and criminal justice (\$1,433,000), section 28F, Administration, Vienna (\$27,000) and section 35, Staff assessment (\$229,300).¹³ The Assembly considered and adopted draft resolution A/C.2/64/L.64 as resolution 64/237 and the report of the Fifth Committee on the programme budget for the biennium 2010-2011 as resolution 64/244 on 24 December 2009.

54. UNODC is grateful for the generous voluntary contributions made by the following in support of the Office's work for the implementation of the Convention: Australia, Austria, Canada, Finland, France, Germany, Greece, Japan, Luxemburg, the Netherlands, Norway, Poland, Sweden, Switzerland, the United Kingdom and the United States, as well as by the United Nations Democracy Fund, UNDP and the World Bank.

VI. Conclusions and recommendations

55. The continuing increase in the number of parties to the Convention is evidence that the Convention is becoming a truly global, fully operational instrument in line with the aspirations and expectations of Member States. Every effort should be made to increase the number of ratifications and to implement the provisions of the Convention. In this context, the General Assembly may wish to encourage Member

¹¹ A/C.5/64/12.

¹² The statements and comments made in the course of the Fifth Committee's consideration of this question are reflected in the relevant summary records, A/C.5/SR.21 and 22.

¹³ A/64/599.

States that have not yet done so to ratify or accede to the Convention and to support its full implementation.

56. The establishment of the Mechanism for the Review of Implementation of the Convention was a historic step towards the full implementation of the Convention and the adoption of a transparent, knowledge-based approach to technical assistance. The success of the Review Mechanism depends on the full commitment and constructive engagement of all States parties. In this regard, the General Assembly may wish to encourage all Member States to fully support the work of the Review Mechanism and encourage donors to provide voluntary contributions for those parts of the mechanism to be funded by such contributions.

57. Information on the implementation of the Convention and on technical assistance needs will be increasingly instrumental for informed political decision-making and the establishment of priorities for technical assistance. In this regard, the General Assembly may wish to encourage Member States to make full use of the comprehensive self-assessment tool approved by the Conference at its third session.

58. Asset recovery will continue to be a priority, including in designing and implementing technical assistance activities. The General Assembly may wish to encourage Member States to invest energy, time and resources in the implementation of the asset recovery provisions of the Convention. Equally important will be the willingness by Member States and international organizations to identify the best possible ways forward, in particular with regard to fostering mutual trust and confidence.

59. Cooperation in international asset recovery efforts should continue to be strengthened, in particular between States, through the establishment of informal channels or networks as well as through the designation of focal points for asset recovery. To supplement this, the General Assembly may wish to encourage Member States that have not yet done so to designate central authorities for mutual legal assistance in order to facilitate asset recovery. Further, Member States that have not yet done so could be encouraged to designate asset recovery focal points with a view to establishing a global asset recovery focal point network. Similarly, in order to effectively accord preventive measures the prominence they deserve, Member States that have yet done so may be encouraged to designate an authority or authorities to assist other States parties in developing and implementing specific measures for the prevention of corruption.