



Internal Review

StAR Team
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Introduction

The StAR management committee (MC) requested an internal review of the program covering the period 2011-2012. The purpose of the review is to inform decisions of WBG and UNODC management regarding the continuation of the StAR initiative, its strategic direction and its implementation arrangements based on an internal stock-taking process.

The review had 4 objectives:

- 1) *ascertain the results* of the StAR initiative to date, with a focus on its second phase ((2011-2012);
- 2) *assess the relevance* of its strategic direction
- 3) *assess the relevance and effectiveness of the implementation arrangements* of the StAR initiative;
- 4) *provide findings, conclusions and recommendations* that can be used to inform decision making and strengthen the design of any follow-up phase (if applicable).

During its May 2012 meeting the MC decided that the review should be prepared with the assistance of an external consultant. A consultant was selected for this purpose, with work beginning on July 1, 2013.

A mixed-method approach was used for the review. A "Review Meeting", involving available StAR team members, was the principal activity held. The meeting centered on assessing the significance of the data collected as part of the review as well as deriving recommendations. It was also decided to extend the scope of the review to include the work done during 2013. Additional information was collected via interviews of selected stakeholders and a brief online survey of beneficiaries. The StAR team members were instrumental in completing the review, as per the request of the MC.

There were various limitations to the review:

- Time constraints implied: a) the survey instrument was not tested; b) methods used during the review meeting were compressed and/or scaled back; limited participation of Vienna based staff during the review meeting;
- Survey response rate was 35%. Data from the survey is purely informative and not necessarily representative of all StAR stakeholders. Nonetheless, the high level of agreement amongst respondents is of note.

Strategic Direction

Issue Assessed: *The extent to which the revised objectives and the design of the current work program tackle the critical challenges faced in facilitating more systematic and timely return of the proceeds of corruption.*

The strategic direction of StAR is guided by its vision, mission and goal. These statements are based on the premise that asset recovery is a process requiring specific national capacities, legal frameworks and both national and international cooperation to be present. Additionally, the political context can impact the nature and progress of StAR's work, as recent events in Egypt have proven. Finally, a critical

Vision
To end safe havens for corrupt funds - To bolster international efforts to confiscate and recover assets taken by corrupt officials - To secure the return of stolen assets to their legitimate owners.

Mission
Support international efforts to deny safe havens for corrupt funds

Goal
Prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets

element that determines how StAR is assessed is the yardstick used to measure its success. StAR can only be held accountable for that which is within its control and ability to deliver. Simply put, success is measured by an increase in the capacity¹ of assisted States to conduct asset recovery cases and overcome barriers faced in other jurisdictions. At best, the amount of assets recovered is but a proxy indicator, that while it may reflect the assistance provided by StAR, also depends

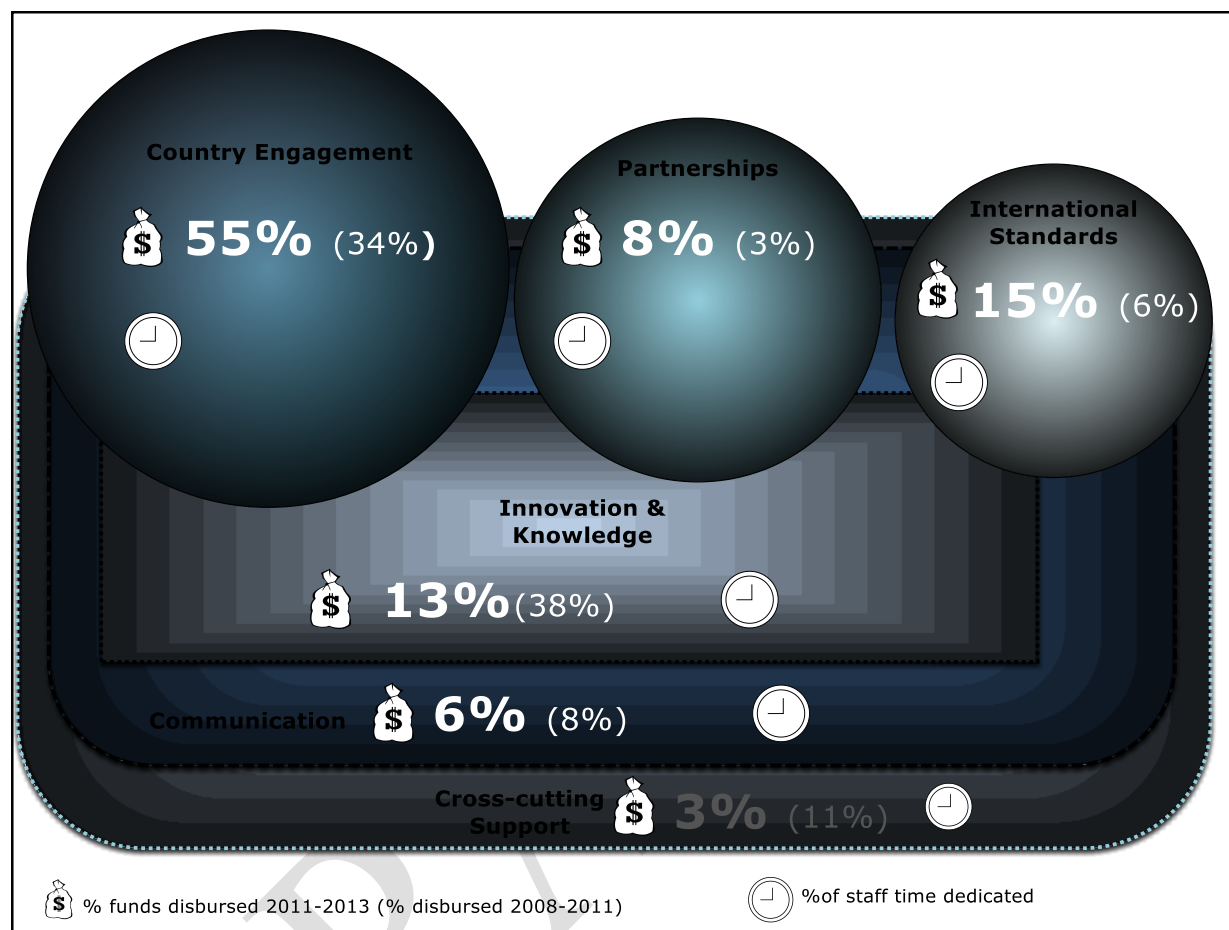
on multiple factors outside the control of the initiative (i.e. merits of a case, ability to discern whether or not asset recovery is feasible, amounts being sought, decisions taken by national authorities, political context and genuine will to recover stolen assets etc.).

The StAR results matrix (2011-2013) was designed to reflect a shift in priorities decided by management as a result of the discussions after the external evaluation of the first phase of StAR, and notably increase the focus on country related activities – in particular capacity building and advice to countries seeking asset recovery in the context of specific cases. From July 2011 until approximately a year later was a time of transition within StAR while the new business model and approach to country

¹ Acquired as a result of traditional (general) capacity building activities and/or through experience gained in the context of actual cases where StAR provided assistance.

engagement were progressively rolled out. The extent of the shift is reflected in the following figure:

StAR Strategic Direction: Resources Re-balance



The five areas which encompass StAR's work allow it to systematically address needs and emerging trends as per MC instructions. StAR practices are characterized by:

- A demand-driven approach to the provision of technical assistance, responding to requests from States. StAR helps States collect and analyze information that facilitates progress in asset recovery efforts and inform the decision-making of national authorities. It builds technical expertise and skills needed to trace assets, to successfully prosecute the predicate offences, and to prove the link between such crimes and the respective offences. StAR provides advisory services to upgrade the legal and institutional framework dedicated to the recovery of stolen assets and it assists in making international cooperation, in particular mutual legal assistance, more effective by, for example, sponsoring meetings and workshops that bring together relevant parties at the national, regional and international levels, as necessary;

- Pro-actively raising awareness among States as to the obstacles encountered in asset recovery and advocating changes in policy, law and practice to overcome them;
- Leveraging knowledge products across work areas;
- An integrated approach to communication both as a means to raise awareness and as a tool for advocacy.

In practical terms this has been translated into action in the following manner:

StAR Operational Approach (2011-2013)					
Theme	Country Assistance	Innovation & Knowledge	Partnerships	International Standards	Communications
<i>Objective</i>	Support national authorities' work on specific asset recovery cases, working in an advisory and facilitating role.	Create and disseminate asset-recovery related knowledge products and facilitate their application in support of asset recovery activities.	Engage/support multilateral and bilateral partnerships to facilitate asset recovery; develop partnerships with civil society interested in supporting the asset recovery agenda.	Promote the asset recovery agenda with all relevant international fora.	Disseminate StAR's Innovation & Knowledge products to appropriate audiences, and mobilize support for the broader asset recovery agenda.
<i>Activities</i>	<input type="checkbox"/> Analysis following country requests <input type="checkbox"/> General Capacity Building on Asset Recovery <input type="checkbox"/> Capacity Building on Specific Asset Recovery Cases <input type="checkbox"/> Quiet Diplomacy	<input type="checkbox"/> Follow up on existing knowledge products <input type="checkbox"/> Prepare & implement dissemination plans for each knowledge product <input type="checkbox"/> Prepare & use training materials based on key knowledge products <input type="checkbox"/> Develop limited selection of new reports/publications (UNCAC & ICHA) <input type="checkbox"/> Develop tools for practitioners <input type="checkbox"/> Case Database (Asset Recovery Watch)	<input type="checkbox"/> Support Practitioner Networks <input type="checkbox"/> Develop Partnerships with Civil Society	<input type="checkbox"/> Support to the UNCAC Asset Recovery Working Group <input type="checkbox"/> G20 advocacy <input type="checkbox"/> Collaboration with FATF, OECD and other international entities	<input type="checkbox"/> Website enhancement <input type="checkbox"/> Dissemination strategies <input type="checkbox"/> Reaching External Stakeholders <input type="checkbox"/> Reaching Internal Stakeholders (WB, UNODC) <input type="checkbox"/> Communicate results <input type="checkbox"/> Manage communications

A rapid SWOT analysis was conducted in order to better understand the position of StAR given its current strategic direction. The analysis reveals that StAR is in good position to consolidate its work moving forward and take advantage of emerging opportunities though there are some issues that need to be addressed in the short term:

StAR SWOT Analysis

STRENGTHS

- Neutral / apolitical
- Interdisciplinary team
- Expertise/Thought leaders
- Knowledge base and product offering
- Innovative
- WB UNODC partnership-legitimacy, leverage
- Reach (# of entry points, personal networks)
- International mandate
- Instant access to WB and UNODC networks
- Responsiveness/flexibility (tailoring to needs)
- Combines policy, operational work and international cooperation

WEAKNESSES

- StAR lifetime ≠ nature of work
- Shifting prevention-repression balance
- Success criteria disputed (\$ in AR vs. capacity gains)
- Interpretations on what StAR is allowed/should do
- MC awareness/appreciation beyond country engagements/cases limited
- Bureaucracy
- StAR internal communications (info. flow)
- Staffing stability
- Collective understanding of strategic objectives
- Inconsistent procedures on country engagement
- Insufficient long-term planning
- Monitoring and evaluation system
- Absence of an integrated curriculum
- Operational level coordination with UNODC
- Synergies with WB departments deficient
- Awareness about StAR within WB
- Team skill mix not yet optimal
- Lack internal training and knowledge sharing
- Resource allocation
- Overstretched

OPPORTUNITIES

- Credibility (Strong brand, track record)
- Demand for StAR
- Donor interest
- Funding and resources
- Good will
- Trusted - clients & international community
- Evolving political context
- Untapped synergies (WB/UNODC groups/programs)
- UNCAC review process
- Link to GAC agenda
- Leverage Knowledge products & "science of delivery"
- Asset Recovery database
- Access to other thought leaders and practitioners
- New collaborations/partnerships (academia, CSO)
- South-South learning
- Expanded communication approach
- Online learning modules - star website

THREATS

- Demand exceeds capacity
- Contradictions: Expectations vs. mandate
- Blame for lack of progress
- Too short extension of StAR
- Tenuous connection to development agenda
- Sustainability of some of the country work
- Vulnerable political situations/regime change
- Client political will fluctuations
- Mismanagement of returned assets
- Static knowledge products
- Other actors/"competitors" (StAR relevance)
- Total \$ AR as only measure
- Increased public exposure

The current strategic direction is in alignment with the StAR's vision, mission and goal. It also allows StAR to customize the assistance it provides to countries based on the capacity in place and/or the nature of the cases in the different jurisdictions. Additionally, this flexibility allows it to adequately tackle the critical challenges faced during the various stages of the asset recovery journey: from determining whether it is advisable to proceed or not with a case through the eventual return of an asset. The examples contained in the effectiveness section highlight the merits of this approach.

Of concern is the ability of StAR to satisfy the demand given current available resources. Options include increasing resources to accommodate excess demand, cap assistance (based on a first come first served basis), prioritize engagements taken (based on pre-determined criteria) or a combination of all of the above. The other weaknesses identified can be addressed through Secretariat-level actions.

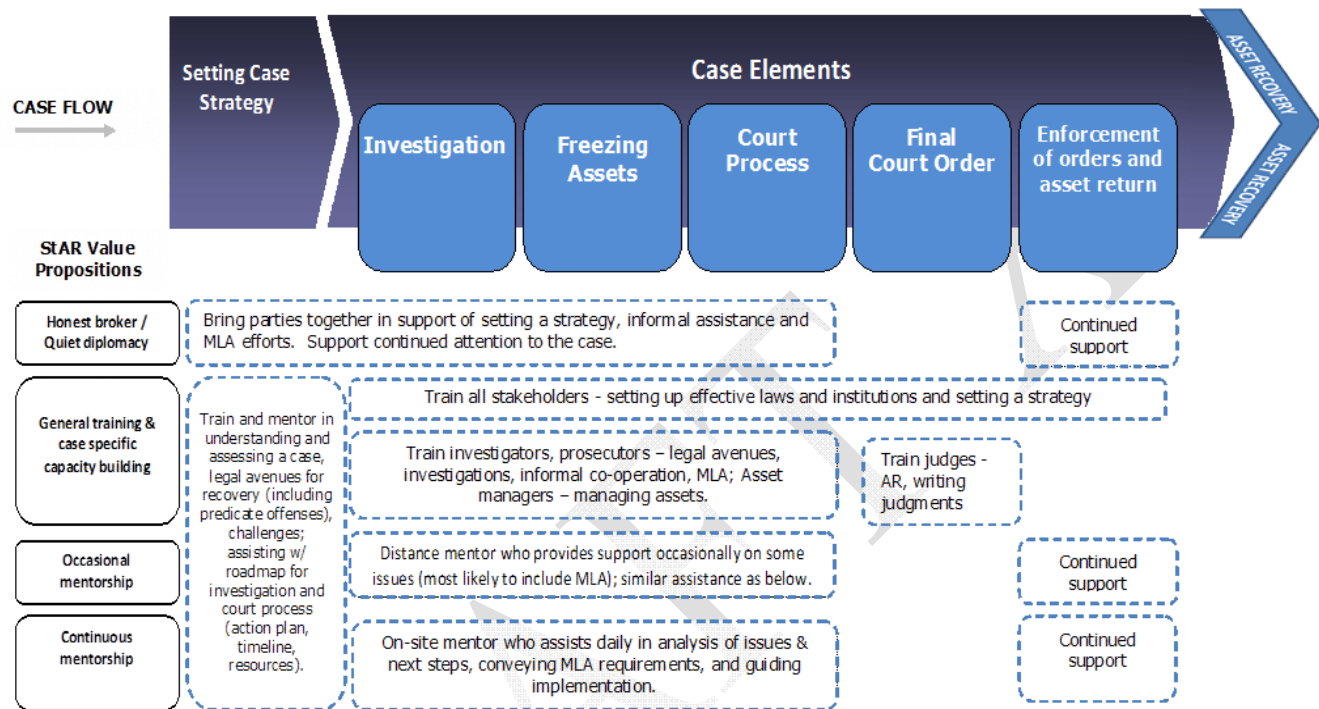
StAR Effectiveness

Issue Assessed: *The extent to which the program is successful at achieving its revised objectives, taking into account the nature of and progress in the delivery of program activities and outputs, including their relevance, quality and resources implications.*

Country Engagement

The value added of StAR, in the context of country engagements, is twofold: 1) increases country capacities to successfully recover assets and 2) facilitates

StAR Value Proposition for AR Cases



international cooperation for asset recovery. The remainder of StAR activities are all geared to these two ends.

The country engagement approach taken by StAR consists of two elements: general capacity building activities and case related capacity building and facilitation. Most country and case-specific work is linked to more general capacity building efforts including training of practitioners involved in asset recovery cases, to promote sustainability of domestic capacity. Given the resources devoted to it, it is important to note the broad scope of topics that fall within the context of country and case specific work: setting out an asset recovery strategy; strategic and tactical analysis; financial investigation techniques; asset tracing; forensic audits preparatory to cases; advice on case management (including related to the preparation of mutual legal assistance or other forms of international cooperation requests); facilitating the establishment of informal and formal contacts with the authorities of counterpart jurisdictions through “quiet diplomacy”.

To date, the StAR Initiative has provided technical assistance in 23 countries and one regional organisation representing 5 countries. In 10 of these countries it provides case-specific assistance. The demand for both case specific and general capacity building has increased rapidly with 11 new requests for assistance reaching StAR in 2012 alone.

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; in other cases, assistance has focused on capacity-building activities and providing advisory services to support specific asset recovery cases.

The TTLs assessed the countries for which they are currently responsible in four categories: domestic coordination/strategy; financial investigation; prosecution/adjudication and international cooperation. Two ratings were assigned to each country, one depicting the capacity of the country at the start of StAR activities and the other rating upon conclusion (or at present). The capacity gain rating is based on a 5 point scale: 1= non-existent, 2=little, 3=basic, 4=moderate and 5= advanced.

It was not possible for TTLs to assess in all cases whether improvements have been made exclusively due to StAR assistance. Thus, the data only reflects improvements made in the respective areas during the time period that StAR has been assisting the respective country in the respective area of asset recovery work.

Country	Domestic Coordination/Strategy Capacity Gains		
	@ Start	@ End	Change
Afghanistan	1	4	3
Chile	3	5	2
Guatemala	3	4	1
Indonesia	1	2	1
Kenya	1	2	1
Libya	1	1	0
Mongolia	1	2	1
Peru	2	2	0
Romania	1	4	3
Senegal	1	2	1
South Sudan	1	1	0
Tanzania	2	2	0
Tunisia	1	4	3
		Avg. Change	1.2

Country	International Cooperation Capacity Gains		
	@ Start	@ End	Change
Afghanistan	1	2	1
Chile	2	3	1
Ethiopia	2	3	1
Guatemala	4	4	0
Indonesia	2	2	0
Kenya	2	2	0
Libya	1	2	1
Mongolia	2	3	1
Peru	2	3	1
Romania	1	2	1
Senegal	1	2	1
South Sudan	1	1	0
Tanzania	2	2	0
Tunisia	1	4	3
		Avg. Change	.78

Country	Prosecution/Adjudication Capacity Gains		
	@ Start	@ End	Change
Chile	3	3	0
Ethiopia	2	3	1
Guatemala	4	4	0
Indonesia	2	3	1
Libya	1	1	0
Peru	3	3	0
Romania	1	2	1
Senegal	1	2	1
South Sudan	1	1	0
Tanzania	2	2	0
Tunisia	2	3	1
		Avg. Change	.45

including in the context of the Arab Forum, to ensure that the effective legal avenue (enforcing in Lebanon a Tunisian confiscation order as a civil consequence of a criminal judgment) would be used.

Country	Financial Investigation Capacity Gains		
	@ Start	@ End	Change
Chile	2	3	1
Ethiopia	2	3	1
Guatemala	3	4	1
Indonesia	2	3	1
Libya	1	2	1
Mongolia	2	3	1
Peru	3	3	0
Romania	2	3	1
Senegal	1	2	1
South Sudan	1	2	1
Tanzania	2	2	0
Tunisia	1	3	2
		Avg. Change	.91

In some cases this increased capacity has led, with additional facilitation services provided by StAR, to important amounts being seized. StAR had assisted Tunisian authorities since the fall of President Ben Ali's regime in January 2011 in defining the main features of their asset recovery strategy. In February 2011, StAR assisted in the establishment of a National Committee for the Recovery of Stolen Assets in Foreign Jurisdictions. Several

workshops to train various government and law enforcement agencies were held between February 2011 and August 2012.

Since then, StAR contributed to the recovery of over \$80 million in assets by helping Tunisian authorities design a comprehensive strategy combining domestic criminal prosecution, MLAs, civil actions, and criminal proceedings initiated in foreign jurisdictions. StAR also promoted and facilitated bilateral or multilateral contacts with foreign counterparts (including the Egmont Group, Eurojust and Interpol). StAR brought together at several occasions representatives from the Asset recovery Committee and Tunisian police agencies, investigative judges and prosecutors with key international counterparts engaged in recovery efforts regarding Tunisian assets in key target jurisdictions. In addition, the StAR team provided continuous advice to Tunisian authorities, and placed a mentor for seven months in Tunis.

An example of StAR's role in assisting countries is the case involving an asset seized in France. In July 2011, contacts between StAR and French authorities showed that the plane seized by order of the Paris Prosecutor's Office and owned by Ben Ali's son in law could be quickly returned if Tunisia issued a specific request. This information was passed to Tunisian authorities, a request was sent in the following days, and the

airplane was effectively returned to Tunis and seized by Tunisian authorities. While the value of the airplane was limited compared to varying estimates of the total value of Tunisian stolen assets, this first success laid the foundation for the recovery of other assets by showing that stolen property located in foreign jurisdictions can be returned even before the finalization of the case when the right methods and legal avenues are used. As a result of similar methods, another plane (in Switzerland), and two yachts in Italy and Spain were recovered by Tunisia after StAR facilitated contacts between Tunisian, Italian, Spanish and Swiss authorities.

StAR credibility...

The recognition of StAR's work on the "Dura Case" in South Sudan is exemplified by the request of the Sudanese authorities for assistance in the next phase of that case as well as in an additional assessment of liabilities on another procurement case.

StAR's engagement in South Sudan on the "Dura case" has allowed it to expand and pilot its case assistance techniques to include forensic auditing, with an eye toward eventual asset recovery, cooperation with foreign jurisdictions, etc. StAR's "assessment of liabilities" has assisted South Sudan with resolving a procurement scandal of approximately US\$1 billion with asset recovery opportunities of approximately US\$150 million. The report has been adopted and a committee has been put in place to move forward on asset recovery investigations. The engagement has been recognized by both the Minister of Finance and the Vice President as having significantly supported South Sudan's efforts to increase transparency. This has led to StAR being asked to (1) provide assistance on the next phase of investigations of the Dura case, and (2) conduct another assessment of liabilities on another procurement case (or cases) in South Sudan.

Afghanistan suffered an economic disaster in 2010 when corrupt officials left Kabul Bank with more than USD \$900 million in missing funds and bad loans. The

StAR facilitates domestic coordination...

Using StAR's convening power Afghan government agencies were able to overcome domestic political gridlock that was blocking progress on criminal stolen asset cases. StAR's investment in this case was limited to one mission.

prosecutor's office and separately the Central Bank, through the Kabul Bank receivership office, began efforts to recover the assets. In late 2011, StAR held a workshop on international cooperation and information sharing, attended by the Central Bank and Attorney General's office, who had little contact with each other. No progress was occurring because while the Central Bank could trace assets, it could not obtain admissible evidence beyond its borders. Conversely, the Attorney General's office could seek the international cooperation but not trace the assets. While attending the StAR workshop, representatives of the two agencies talked about asset recovery and agreed to work together. As a result, going forward they obtained crucial evidence from a law enforcement agency in a financial center, evidence that supported Afghanistan's successful prosecution of defendants in connection with the Kabul Bank scandal in 2013.

StAR's engagement in Uganda started out with a regional training of trainers programme organized in partnership with the East African Association of Anti-Corruption Authorities (EAAACA). During one of the initial regional training sessions, a Ugandan prosecutor participating in the training remarked that the principles being shared with them are not applicable in the Ugandan context because their laws are very basic, and that there would need to be legislative amendments in Uganda before they are able to recover assets. This resulted in an intense debate, during which participants were advised that even where their countries do not have very sophisticated legislation, they can still use what little they have to recover assets.

Following a country specific request for StAR assistance by the Ethics and Integrity Minister, there have continued to be several allegations of grand corruption, including recent allegations of misuse of donor funds and other serious forms of corruption have raised the stakes for the work on governance and anti-corruption. As a result, several large donors, including DfID, suspended aid to Uganda. As part of this country specific technical assistance, StAR provided further training on asset recovery which was also attended by the above-mentioned prosecutor.

A while later, the DPP informed StAR that they would need assistance with a high profile corruption case in which they had frozen significant assets of eleven suspects,

Different types of impact...

A Ugandan prosecutor participating in a StAR capacity building activity argued that national legislation was lacking to justify AR actions in her country. An intense debate ensued. A year later, the same prosecutor, after reflecting on the merits of StAR's advice, changed her position and as a result \$62 million worth in assets have been frozen pending the outcome of a major corruption trial.

including personal bank accounts, land, vehicles, and corporate bank accounts of companies owned by the suspects or their relatives. Altogether, the assets are worth over 165 billion Ugandan shillings (approximately US\$62 million). The leading prosecutor on the case turned out to be the very prosecutor who a year earlier had argued at the regional training that Uganda's legal infrastructure does not allow for the asset recovery process to take place. When asked by the team whether she had had a change of heart, the prosecutor explained that as a result of the StAR training she had received, she had reconsidered her previous position and realized that she could in fact use the existing provisions to start the asset recovery process. Accordingly, she had requested investigators in her case to freeze assets pending trial, even though they had initially resisted, insisting that she wait until the corruption trial was over, prior to attaching assets. As a result, this led to the first ever freezing of assets pending a corruption case in Uganda.

The experiences in East Africa complement the change in understanding of AR processes. The capacity building program for the region has had real positive outcomes:

- from a lack of understanding/appreciation of asset recovery to realization that their basic legal framework actually provides for traditional asset recovery tools of asset freeze and confiscation;
- shift of paradigms from asset recovery only through the criminal process to non-conviction based procedures;

The ripple effect continues to date as currently we are enlisting the support of the TOTs as resource persons in our other training engagements in the region.

The figure on the next page provides a clear summary of the results achieved in the context of country engagements. The capacity gains in beneficiary countries, the meetings facilitated and the amounts of assets that have been accessed are significant and are indicative that the shift in focus that StAR underwent has made a significant impact.

DRAFTX

Country Engagement Results

General Capacity Building

+1500 trained in AR procedures & processes

trained in specific AR case context **230**

235 trained in case mgt./legal avenues for AR

trained in case assessment **20**

62 trained trainers

mentorships **3**

Case Specific Actions

37 AR cases initiated

132 bi-lateral mtgs. arranged

11 MLAs reactivated

8 MLAs successfully completed

111
MILLION
ASSETS

traced/frozen/confiscated
/seized or returned due to
StAR assistance

Partnerships: Networks & Civil Society

StAR continues to actively collaborate with other regional and international organizations to build networks between practitioners – both governmental and non-governmental - sharing similar goals to influence both policy and to assist with the asset recovery process.

StAR strengthens networks...

StAR has actively supported the Global Asset Recovery Focal Point Network by providing technical assistance including preparing *"Lists of Actions to be taken in the First 24 Hours of an Asset Recovery Investigation"* and contributed to the development of the communication platform administered by Interpol.

As part of this, StAR has continued to support jointly with INTERPOL the *Global Asset Recovery Focal Point Network*, which 99 countries have joined to date. It provides asset recovery practitioners a platform to meet on a regular basis to share experiences and good practices in relation to asset recovery.

StAR was active in organizing and participating in the Third Global Focal Points Network Annual Meeting in 2012 held in Jordan. The meeting provided an opportunity to advance the Network's objective of supporting investigations

through law enforcement cooperation and informal assistance (i.e. prior to the submission of formal requests for mutual legal assistance). Focal Points received training in the use of Interpol Red Notices, and in using an on-line secure database for better communications when working on active cases. During the fourth annual meeting of focal points held in July 2013 in Bangkok, the new web mail function was launched which allows focal points to securely communicate amongst themselves. StAR also committed to its ongoing participation in various initiatives to further facilitate international cooperation.

A possible future development to the platform consists of a multi-jurisdictional platform, that can be used by countries seized with a multi-jurisdictional case.

StAR takes advantage of the meetings of the focal points network to convene bi-lateral meetings so as to facilitate AR cases between countries. The side meetings have been considered highly beneficial by the focal points who have used them to enquire about MLA requests for which they have not yet received responses, or procedures that they should use before sending MLA requests. The countries participating in side meetings have expressed their satisfaction with the assistance they received.

Additionally StAR has worked with and supported the set-up of regional practitioner networks engaged in asset recovery and confiscation including: CARIN (the Camden Asset Recovery Information Network) in Europe, ARINSA in Southern Africa and GAFISUD in Latin America. In 2012, StAR approved a capacity building support to RRAG, which will be delivered through UNODC. StAR has also been approached to advise on the creation of similar networks in East Africa and in the Asia pacific region.

StAR has collaborated with Transparency International, Global Witness and Wolfsberg in the FATF context. CSOs have been peer reviewers or members of expert groups: Global Witness with *Puppet Masters* and various others with the *Settlements Study* and *Illicit Enrichment*. As the SWOT analysis points out, there is an opportunity to be pursued by expanding StAR collaboration with CSOs, though it might be useful to first develop a clear engagement policy.

International Standards and Policy

StAR has contributed to and influenced the work of the Conference of States Parties to UNCAC, the G20 Anti-Corruption Working Group, the G8, FATF, OECD and the OSCE. The table at the end of this section details the key results in this area as well as highlighting some challenges encountered and measures being taken.

A good example of the impact StAR has made is the Arab Forum on Asset Recovery². The forum had as its primary objective to provide a platform for Arab countries in transition, the G8 countries and other partners to: 1) identify and communicate the needs for country-specific capacity building, with clear and easy to monitor commitments; 2) to extend regional training to practitioners engaged in tracing, freezing, and recovering the proceeds of corruption; 3) to encourage G8, Partner and Regional countries to introduce policy changes and legislative/institutional changes needed to facilitate effective asset recovery and 4) to create a space for case consultations between the countries seeking asset recovery and the various G8, Partner and Regional countries.

The event had been designed by StAR to complement its already ongoing technical work in support of the asset recovery efforts of Egypt, Tunisia and Libya with the specific intention to create broader political support in particular in the financial centers to the overall asset recovery agenda. It was attended by more than 200 policy makers and practitioners, including two head of State as well as 13 Ministers of Justice and Attorney Generals. During the event in particular the UK Government

² Commonly referred to as the Arab Forum.

StAR as a catalyst...

The work of StAR, in the context of the Arab Forum,

StAR as a multiplier...

StAR has actively engaged the G8 in the context of the Deauville process, leading to the G8 Action Plan on Asset Recovery adopted in Camp David in April 2012. This led to StAR's extended contribution in the preparation and launch of the Arab Forum.

was heavily criticized by several representatives from the Arab countries in transition for its lack of effort extended to ensure effective cooperation and swift response to the requests for tracing, freezing and return of assets looted by the previous regimes in Egypt, Libya and Tunisia.

The Box

Following this policy pressure, on 26 September 2012, Prime Minister David Cameron announced at the UN General Assembly that the UK will create a new cross-Government Task Force to return assets stolen by members of the former regimes of the Arab Spring countries to accelerate the UK effort to return stolen assets to the Egyptian, Libyan and Tunisian peoples. Shortly after, a multi-agency team was established under a

single operational lead, involving staff from the Home Office, Serious Organised Crime Agency, Metropolitan Police and Crown Prosecution Service. The team started to regularly visit Cairo, forge operational links with their counterparts in the Egyptian authorities resulting in the launch of several ongoing joint investigations. Moreover, the team posted a CPS prosecutor and a Metropolitan Police Financial Investigator to Egypt, and is planning to post a Regional Asset Recovery Adviser to the region to assist the authorities in Egypt, Libya and Tunisia. In addition to the operational response, the UK Government is in the process of ensuring that it has the necessary legal tools and safeguards in place to prevent the UK from providing safe haven for the proceeds of corruption. These included changes to the EU sanctions regulations to allow better information sharing between EU Member States and Arab Spring countries, as well as more recently announcements at the G8 to enhance the transparency of the beneficial ownership of companies, often abused for the purpose of hiding the proceeds of corruption.

The UK has fully embraced the moral imperative for asset recovery to be carried out swiftly- the Task Force brings a new energy and focus to this endeavor. StAR played a crucial role in creating the initial momentum for such far reaching policy changes to take place and provided the necessary technical advice (e.g. puppet masters, asset recovery handbook etc.) to support the substantive soundness of policies.

StAR assisted in making the international legal, policy and operational environment conducive to asset recovery matters. As a by product of this, StAR has enhanced the

financial and political support it receives. Additionally, asset recovery, as one of the GAC pillars, is comparatively well advanced in its implementation.

Nonetheless, it is important to point out that maintaining StAR as the international reference point on AR is very (human) resource intensive. At the same time, policy work is to some extent subject to opportunities and demands and thus difficult to plan for. Finally, there is a perception that the significance of StAR's work on international standards and policy may not be fully appreciated by the management committee.

DRAFT X

Assessment of International Standards & Policy Work

Area	Results	Challenges	Measures (being taken)
Support COSP & ARWG	<ul style="list-style-type: none"> AR plays an increasing role on the COSP agenda (5/23 resolutions on AR, 2/6 at COSP IV) COSP V strong focus on AR Enhanced technical understanding of AR by SPs (increase in # of requests for specialized knowledge products – NCB, illicit enrichment, AR Watch database and AR digest, MLA request writer tool) Increased confidence in and appreciation of StAR by SPs (e.g. StAR will for the 1st time present one of its studies in plenary at COSP V and have a whole day special event) 	<ul style="list-style-type: none"> Some SPs are still not completely comfortable with StAR role (can be explained in part due to that COSP has little control over StAR); Potential duplication of initiatives (global AR focal point network) StAR policy/technical recommendations can be controversial with some SPs Lack of clarity on what could/should be StAR's role in the context of the UNCAC review of Chapter V 	StAR has adopted an approach of openness, transparency, participation and consultations to all interactions with COSP and ARWG
G20 Advocacy	<ul style="list-style-type: none"> Increased technical understanding of top-level policy makers (e.g. specific action on BO, PEPs, Asset Disclosure) Legal and policy action and stronger operational responsiveness in major financial centers of the G20 (i.e. joint investigations, increase in liaison LE personnel on AR, more frozen assets) G20 members accountable against their AR commitments (agreed benchmarking exercise under StAR coordination) 	<ul style="list-style-type: none"> Long term sustainability of AR focus in G20 and G8 is uncertain 	Continues active engagement to maintain focus of G8 & G20 on AR alive
FATF, OECD and others	<ul style="list-style-type: none"> Improved international legal framework in support of AR through alignment of FATF recommendations with UNCAC (e.g. upgrades to AR relevant aspects of FATF standards such as LE, Intl. coop., BO, PEPs) Strong focus in FATF on AML – AC nexus (e.g. work on corruption related typologies and red flags) Enhanced accountability of financial centers through joint work with OECD on monitoring AR commitments (joint publication with OECD) High demand for StAR policy and technical support/advise (G8, Egmont Group, GAFISUD, OSCE, OHCHR, Wolfsberg) 	<ul style="list-style-type: none"> Interest of multiple international organizations and fora is welcome, but bears risks such as: <ul style="list-style-type: none"> contradicting policy, duplication of efforts, turf battles Players with little appreciation/comparative advantage become involved in AR agenda (OSCE, APEC) Overstretch of StARs capacity to provide policy and technical input 	Continues its work with others so as to avoid duplication, clarify roles and responsibilities.

StAR's work in the international standards and policy arena should continue, specially with a strong engagement with COSP and ARWG. Considering the upcoming UNCAC review process, it is important to clarify StAR's role and the value it would bring to the table. In order for all of this to occur, there is a need to review (and possibly increase) StAR resources dedicated to these issues.

Innovation & Knowledge

With the refocusing of StAR's work, the resources dedicated to knowledge products were considerably reduced. Despite this, the limited amount of materials produced were praised and considered valuable.

The *Politically Exposed Persons* (PEPs) publication was used to influence changes to the FATF standards on detecting and monitoring PEPs, specifically the additional requirement to detect and monitor domestic PEPs; previously, Recommendation 6 of the FATF 40+9 required that financial institutions and Designated Non-Financial

Businesses and Professions (DNFBPs) detect and monitor foreign PEPs (thus excluding domestic PEPs). The PEPs publication called for FATF to expand their recommendation to include domestic PEPs and this recommendation (and the reasoning from the PEPs book) was used to argue for expansion of the standard during the FATF discussions.

StAR as a resource...

StAR supports the policy objectives UNCAC and its Working Group on AR, through the research and publication of policy proposals and guidance for practitioners. StAR supported the development of a digest of asset recovery cases to be published by UNODC, as well as training materials on financial. Additionally StAR participated in the review of a Self-Assessment Checklist.

StAR has actively leveraged our knowledge from *The Puppet Masters* publication to make the issue of transparency and beneficial ownership - critical to combatting the misuse of legal entities and legal arrangements to conceal stolen assets - an important component of the G20's work, including as part of the agenda of the G20 Anti-Corruption Working Group (ACWG). The Anti-Corruption Action Plan 2013-14 reaffirms the G20's stance on this issue whereby

they commit to review the experiences in G20 countries in promoting the transparency of legal entities in order to identify good practices.

An effort in StAR's continuing provision of technical advice to the G20 ACWG includes the preparation (in coordination with the OECD and FATF) of a mapping exercise and discussion paper on existing standards and guidelines relating to transparency of legal entities and beneficial ownership. The mapping exercise was discussed at the ACWG's June meetings and also shared with the Finance Ministers' track; it will further form the basis of discussions this fall at ACWG-FATF meetings. Combined with StAR's other efforts on international standards and policy, StAR's technical knowledge and expertise are being put to use to expand stakeholders' understanding of the issue of transparency and beneficial ownership and to keep it at the top of their agenda. In so doing StAR is working to encourage these countries and others to implement the necessary policy, legislative and institutional reforms needed to combat the misuse of legal entities and legal arrangements to conceal stolen assets, and which in turn is needed to help prevent the laundering of corrupt funds and facilitate the timely return of stolen assets.

StAR's policy advocacy and technical advice to G8 strongly contributed to the influential body's endorsement of the G8 Action Plan Principles to prevent the misuse of companies and legal arrangements. Six countries so far have announced their National Action Plans to implement the G8 Action Plan, thus contributing to the sustainability of the G8's and StAR's efforts on transparency and beneficial ownership.

Communications

At the beginning of 2013 StAR embarked upon an ambitious communications strategy to raise the profile of the issue of asset recovery both within the World Bank and externally. This coincided with the appointment of a senior communications officer specifically for StAR who joined having worked previously at the UN, and also as a BBC journalist for over 15 years.

The primary aim of the strategy was to use increased awareness to bolster understanding and demand for StAR's work. Communications sought to highlight and explain the asset recovery process to both officials – government, law enforcement and others, as well as to other constituencies including civil society, the press, and international organizations. The strategy utilized traditional advocacy including cultivating relationships with the journalists, civil society and other – as well as press coverage and hosting events within the Bank. The strategy also sought to use innovative methods to enhance StAR's profile, most importantly including tools such as blogs, social media and more.

Additionally the strategy set out to gain recognition for the StAR 'brand' through consistent messaging and imagery. As part of this the StAR website has undergone an upgrade to include new features including a section devoted to blogs by StAR staff members. Likewise, a number of 'branded' products such as brochures, pens and memory sticks containing StAR publications have been developed for dissemination.

The communications strategy has also sought to leverage StAR publication launches and StAR's presence in international bodies such as the Arab Forum on Asset Recovery for maximum effect.

The intention of these combined activities has been to establish StAR as a global center of expertise, knowledge and practice on the issue of asset recovery and to contribute more broadly to World Bank and UNODC's role in combating grand corruption.

StAR's Twitter takes off...

According to statistics compiled, StAR's Twitter channel has had - to date - over 15,000 viewings and has a potential reach of over 500,000 followers. Additionally according to a tool which measures online influence (Klout.com), StAR has a rating which puts it above average (and rising), which is a considerable achievement taking into account the amount of time that the Twitter channel has been in existence.

In line with StAR's communications strategy, it was decided in February 2013 to establish a StAR Twitter Channel as a means of disseminating information on the issue of asset recovery in general and also specifically on the Unit's activities and achievements. Twitter is the fastest growing social media site on the internet with over 550 million 'followers' subscribed to it (as of July 2013), and an additional 135,000 signing up to it *every day*.

Twitter offered the most appropriate tool given StAR's resources and communications objectives, particularly as a means of driving internet traffic to the StAR website. Following World Bank internal procedures StAR's Twitter channel (called @returningassets) became

operational at the beginning of April 2013. Over two 'tweets' (messages) are put out per day on average, and these are also displayed on the website, further increasing their visibility. Since it was established @returningassets has consistently accrued followers at the rate of approximately 2-3 per day.

StAR's Twitter channel has provided a useful platform for the dissemination of blogs and sanctioned comments by staff members along with relevant material from other online sources. It has allowed StAR to both formulate and be a prominent part of an 'online' community of experts and interested parties on the issue of asset recovery.

StAR's communications strategy has sought to raise the profile of the unit both within the World Bank as well among external stakeholders. Validation by a respected external source, such as a media outlet, is able to address both constituencies simultaneously to considerable effect. As such it was decided at the start of 2013 to endeavor to gain coverage of the issue of asset recovery including a mention of StAR

in the Economist magazine; it being one of the most influential sources globally, of news and comment on financial and development related matters.

In January 2013, StAR made contact with an Economist correspondent in New York. Following the initial meeting, the correspondent came to Washington to meet the StAR coordinator for an off the record discussion. During this time, StAR also facilitated further contacts for the journalist with law enforcement and government officials as well as experts in a number of countries on the issue of asset recovery. As a direct consequence of StAR's efforts, a piece (including a quote by the StAR coordinator) along with an editorial was published in the magazine in May 2009. This article was further disseminated on StAR's website, Twitter channel, and other World Bank internal channels, giving the Unit (and the issue of asset recovery) high visibility as intended among target audiences.

Implementation Arrangements

Issue assessed: The extent to which the partnership arrangements at the implementation level contribute to achieving the StAR Initiative's objectives and add value to the work of UNODC and the WBG.

The results achieved to date (as detailed above) and the prominent role StAR plays in the international AR arena would not have been achieved if not for the partnership between the WB and UNODC. Undoubtedly, the practical aspects of conducting work under such a unique manner have posed challenges. The figure below identifies the advantages and complications that have arisen.

It is important to note that the nature of the implementation issues are operational and can be dealt by the Secretariat adjusting work/communication processes. The implementation concerns identified are not of a strategic nature. Nonetheless, the MC may wish to complement Secretariat level actions by encouraging senior leaders in both organizations to put in place practices that can reduce any of the concerns.

The partnership arrangements at the implementation level add value to the work of UNODC and the WB. The UNCAC framework and UNODC's mandate are complemented by the WB's convening power and areas of focus. The legitimacy derived is crucial for opening doors; the use of the expertise and resources available to both allow them to leverage StAR in fulfilling their mandates.

IMPLEMENTATION ARRANGEMENT: WB-UNODC PARTNERSHIP ASSESSMENT

ADVANTAGES

- Legitimacy & Leverage of 2 institutions
- WB and UN resources
- Wider donor base
- Greater field presence
- Spreads out risk
- Legal framework - UNCAC and COSP
- UNCAC secretariat access - COSP and ARWG
- GAC agenda
- Wider dissemination of knowledge products
- Complementary expertise - broad range, greater pool of talent
- Different perspective on issues

DISADVANTAGES

- Different priorities: WB-UNODC
- Different organizational cultures/protocols
- Adds bureaucracy
- Consistency in team composition (high turnover at UNODC)
- Different working procedures; HR policies
- Internal coordination/communication difficulties (time differences, availability, scheduling)
- Different reporting, monitoring and evaluation processes
- Similar projects (at times) in countries
- UNODC - broader focus; competitive feeling on the ground

POTENTIAL ADJUSTMENTS

- Joint planning/team building
- Increase UNODC "ownership" (i.e. taking more of a lead within the partnership, involve GPML)
- Common reporting, monitoring and evaluation processes
- More direct/proactive communications at team levels (i.e. website coordination, shared access to documents, lessons learned database)
- Vienna hub

IMPACT ON EFFECTIVENESS

- Perception that WB drives StAR
- Perception UNODC less interested in case assistance work
- Local perspective of UNODC side on the ground is absent
- GPML absent
- Short term budget
- Competition on ground (UNODC or UNDP projects parallel or overlap)

Conclusions & Recommendations

The data detailed in the preceding sections, which was collected and evaluated internally, leads to a positive assessment of StAR. In order to provide an additional dimension to the assessment and as a means to triangulate the evidence the internal review surveyed external stakeholders (beneficiaries of StAR assistance and collaborators). The findings of the survey, in and of themselves, provide a concise, summative view of the value of StAR.

Those who responded (n=69) to the survey had the following profile:

- 9% were recipients of StAR technical advisory services, training or mentoring in the context of a specific asset recovery related case (s);
- 15% made use of StARs' facilitation of bilateral meetings with relevant authorities of other countries;
- 7% were recipients of StAR policy advice and/or engaged with StAR in the context of policy making;
- 28% attended StAR general capacity building events such as trainings, workshops or conferences;
- 21% used StAR publications or other knowledge products;
- 8% cooperated in the production of StAR knowledge products;
- 1% cooperated with StAR as representative of a donor agency
- 11% cooperated with StAR as a staff of UNODC, the World Bank or other partner organization

Aside the quantitative results listed below, the concrete examples provided by respondents re-enforce the evidence collected internally.

When asked to provide an example of how they applied the practical knowledge acquired, some responses included the following:

- ✓ "In my decision making. Besides being interested [in] punishing offenders for the prescribed penalty, I also consider of paramount importance to initiate processes towards asset recovery. This was not the case before I was trained by StAR"
- ✓ "[...] I have found the experience of liaising with anti corruption counterparts invaluable and through bilaterals have a greater degree of understanding of their knowledge of international cooperation. As a result I was able to co-write a guidance manual specifically aimed at overseas counterparts seeking formal

and informal assistance from [my country] in asset recovery. An additional benefit has been to enable me to better focus on how to use my own domestic legislation to assist overseas colleagues in ways not previously considered.”

- ✓ “In policy development in [my country].”

Some of the obstacles reported by respondents included political resistance to asset recovery activities. Others mentioned not having access to the internet so as to obtain information. In order to overcome this, StAR has now begun to distribute a USB key with all materials. Additionally, in terms of the knowledge products, there are requests for translating them to more languages.

Stakeholders Evaluate StAR



Highlighting the continued need for the facilitation services of StAR a respondent stated:

- ✓ “My institution wrote to [two countries] for informal information sharing but 3 months down the road there has been no response - negative or positive.”

As examples of concrete results achieved due to having benefitted from StAR activities, responses provided included:

- ✓ “Successful

negotiation and return of £26m [...]”

- ✓ “Cooperation regarding Mutual legal Assistance within national authorities.”
- ✓ “The training I got [on] tracing hidden assets has helped me in recovery of stolen assets as well as proving offence of illicit enrichment in my country [...]”
- ✓ “Managed to identify assets in another country. The suspect decided to bring the funds back herself after gentle persuasion.”
- ✓ “We have recovered stolen funds about 200,000 USD using the training techniques acquired from StAR activities. We have taken two government officials to court for illicit enrichment and living beyond their means.”

- ✓ "Some guidance provided by StAR already have placed in some policy papers in my country."
- ✓ "Unable to give specific details - the cases are currently subject to national and international court processes and deemed subject to sub-judice. In general though the activities promoted by StAR are having benefit by raising the awareness among anti corruption / asset recovery counterparts that there is real benefit in informal assistance as a precursor to racing too soon to formal MLA channels and this is having a subsequent positive effect on subsequent MLA requests."

Respondents were asked to rate the usefulness of StAR services and/or products to their work. Using a scale of 1(not useful) to 5 (very useful) the rating assigned was 3.73. This is a very solid "grade" that also points to the need for further improvements to be made by StAR.

Taken together, the opinions from stakeholders and the rest of the findings detailed above, it is reasonable to conclude that StAR has made a valuable contribution to the asset recovery capacities of beneficiary countries, facilitated cooperation among States and other actors, contributed to knowledge generation in the field and is making progress in raising awareness on the topic. The re-focusing of the initiative, coupled with its unique implementation arrangement have allowed StAR to be *the* leading resource and advocate on asset recovery that countries and organizations can turn to.

The internal review makes the following recommendations to the MC:

1. Extend StAR as a partnership.
2. Keep the strategic focus on country engagement while allowing sufficient flexibility to consolidate gains or take advantage of new opportunities in terms of international standards & policy, innovation & knowledge and partnerships work streams.
3. Instruct the Secretariat to develop a long term plan, including strengthening its monitoring and evaluation mechanisms.
4. Authorize a replenishment meeting to coincide with COSP.

Annex 1: List of Persons Interviewed

X

Y

Z

DRAFT X