



**15th INTERNATIONAL
ANTI-CORRUPTION
CONFERENCE**

**MOBILISING PEOPLE:
CONNECTING AGENTS OF CHANGE**

**BRASÍLIA BRAZIL
7-10 NOVEMBER 2012**

Short Session Report: Global Solutions

Session Title: Illicit Financial Flows and Development: what role for donor agencies

Date & Time: Friday 9 November: 9-11h00 am

Report prepared by: Kjetil Hansen, Policy Analyst, OECD

Experts:

Abderrahan Ladgham, Minister for Anti-Corruption, Tunisia

Markus Busch, Head of Anti-Corruption Unit, German Ministry of Justice

Sylvia Bluck, Senior Governance Advisor, DFID

Oliver Stolpe, Sr Legal Specialist, Stolen Asset Recovery Initiative

Richard Boucher, Deputy Secretary General, OECD

Moderated by:

Stefanie Teggeman, Head of Anti-Corruption and Integrity Program, GIZ

Main Issues Covered (500 words or more, narrative form)

The discussion focused on the following questions:

What are the key challenges on the Asset Recovery Agenda?

From a requesting country? From a country receiving a request for mutual legal assistance in an asset recovery case.

What are the main policy responses that are needed? What can development agencies do help fill these gaps?

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Main Outcomes/Outputs

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Recommendations, follow-up Actions (200 words narrative form)

- Engage the private sector, and particularly the financial institutions in this debate, since they are a key role to play in identifying stolen assets
- Use the broadest possible set of tools to fight financial crime and illicit flows – ie taxation information sharing agreements, tax auditors, etc
- Gaps on the Asset Recovery agenda are both of a legal/technical nature and a very practical nature: many countries have few resources and personnel to dedicate to such work
- Multilateral and bilateral agencies should work with civil society to form alliances that take advantage of each others' strengths
- Name and shame companies and individuals into action
- Development agencies can fill technical gaps, both in donor and recipient countries, but they can also lobby their own authorities to take action on issues such as money laundering
- The technical discussion needs to be handled in the appropriate institutions like the world bank and the OECD
- There are existing instruments which need to be implemented better:

countries should fully implement the UNCAC, the OECD Anti-Bribery Convention, FATF recommendations and other existing instruments.

- Donors, both bilateral and multilaterals, should continue to develop knowledge products that help push the policy agenda
- Civil society has an important role to play on this agenda as both advocates and technical experts.

Highlights (200 words please include interesting quotes)

- Minister Ladgham from Tunisia spoke of Tunisia's effort to recover stolen assets from a foreign jurisdiction. He noted some success in this regard, but also highlighted some real difficulties, especially related to non-responsiveness from requested countries, overly complex procedures.

The Minister Ladgham noted that corruption is like a cancer which spreads through an organism, and that we as anti-corruption activists and specialists are the antibodies to this disease.

Mr. Busch from the German Ministry of Justice outlined the German laws available for asset recovery. He highlighted the importance for countries to engage in informal discussions before official channels are used – in order to lay the best strategy for the individual case.

Ms. Bluck outlined the DFID experience of supporting asset recovery through its support to two police departments in London and the crown prosecution service. An investment of 7 million pounds has so far led to freezing and returns of 160 million and 13 million pounds.

Mr. Stolpe presented the work of the Stolen Asset Recovery initiative. In addition to the well known knowledge products produced by StAR, the unit also provides specific technical and legal support to countries.

Mr. Boucher spoke of OECDs work on asset recovery – highlighting the need for a comprehensive all government, all-economic-crimes approach to launch a comprehensive response

Key Insights Recommended to be included in the IACC Declaration

- There are many tools and systems in place to prevent illicit financial flows and to recover stolen funds, but developing countries are not benefitting from the use of these tools
- There is an important role for development agencies on the asset recovery agenda. Much support is already being provided to various elements, such as legal drafting, caseload management, legal advice, etc, and important knowledge products have helped move the policy agenda. Donor agencies should also do more political lobbying at home to bring about change in areas such as money laundering, tax evasion, bribery.
- In fighting economic crime, authorities need to draw on a multitude of tools, since many of the underlying crimes are overlapping. For example, anti-money laundering laws and tax evasion laws - and the institutions responsible for verifying compliance with these laws - could be used to combat the same crime.
- Measuring performance and sharing this information is an essential tool in bringing about results and forcing countries to take action. More needs to be done on Monitoring: the StAR and OECD progress report was seen as a welcome contribution.
- Civil society has an important role to play – but need to link up with other organizations for maximum effect
- Asset Recovery is important, particularly for the signal it sends to corrupt authorities, but given the real complexities involved in recovering stolen assets the focus should also be on preventing stolen assets from leaving a country. For this there are existing instruments which need to be implemented better: such as the UNCAC, the OECD Anti-Bribery Convention, FATF recommendations and other existing instruments

Rapporteur: Kjetil Hansen, 9 November, 1 pm.
