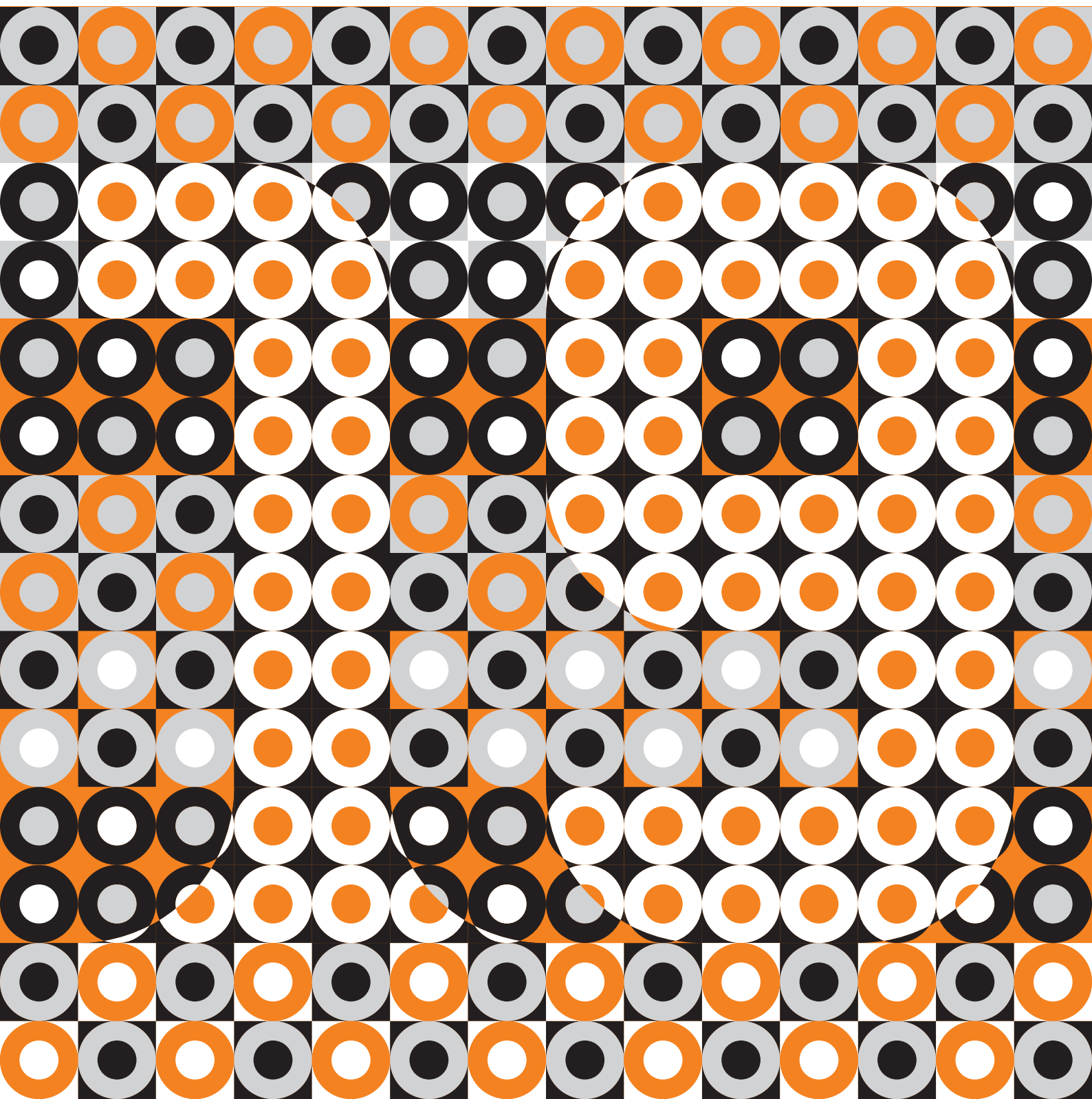
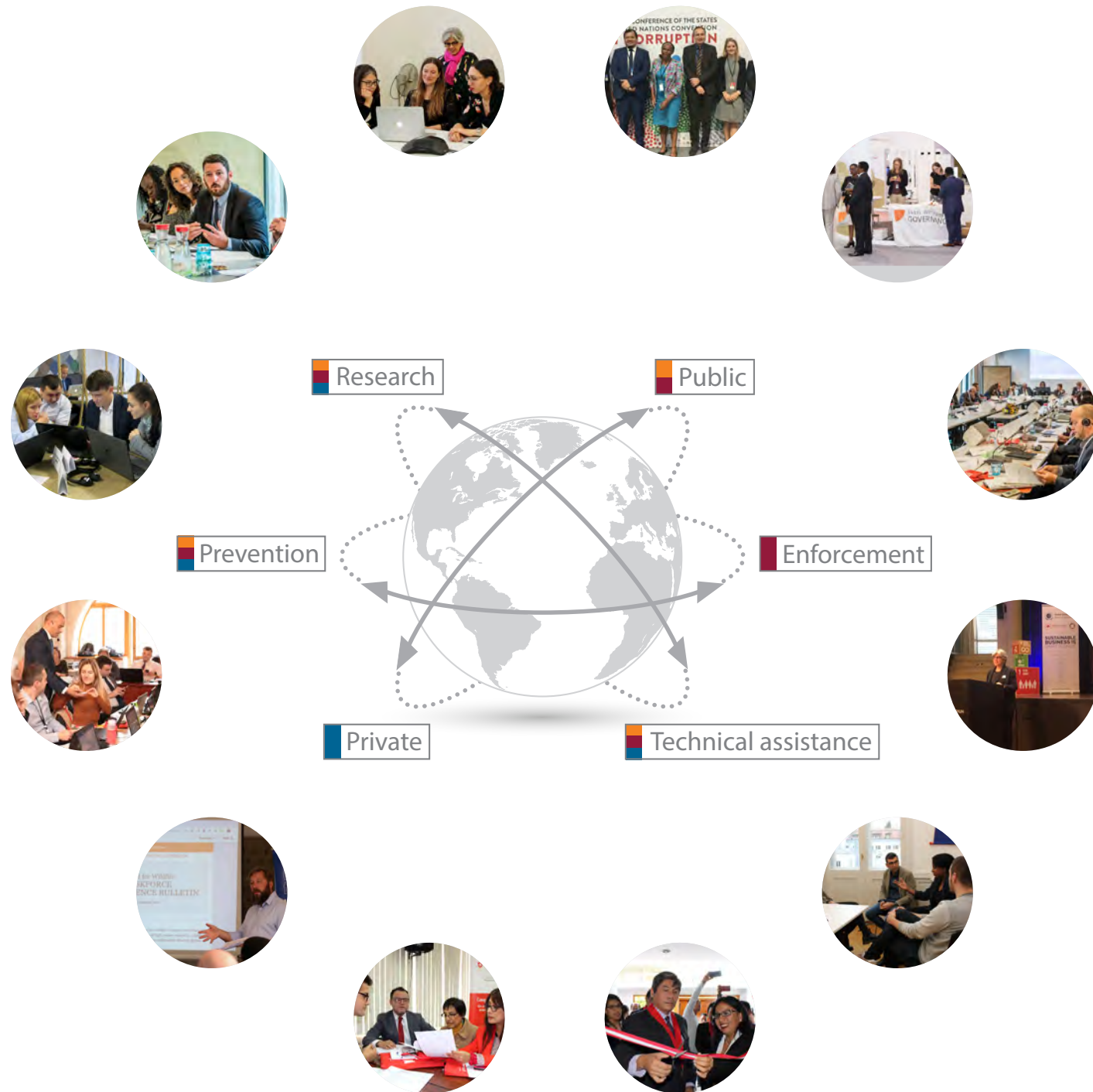


# Annual Report 2019



3	FOREWORD
4	WHERE WE WORKED IN 2019
	<b>THEMES</b>
6	ASSET RECOVERY
18	PUBLIC GOVERNANCE
24	COLLECTIVE ACTION
30	COMPLIANCE AND CORPORATE GOVERNANCE
32	PUBLIC FINANCE MANAGEMENT
38	ILLEGAL WILDLIFE TRADE
	<b>PRODUCTS</b>
44	BASEL AML INDEX
45	BASEL OPEN INTELLIGENCE
46	ELEARNING COURSES
47	B20 COLLECTIVE ACTION HUB
48	PUBLICATIONS
	<b>ABOUT US</b>
50	PEOPLE
52	FUNDING AND PARTNERSHIPS
54	FINANCIAL STATEMENT
56	STAY IN TOUCH



# Corruption and poor governance: enemies of the people

As we write this note for our annual report, the world has become a different place. A global pandemic is spreading fast, globalisation has come to a virtual standstill, and almost everything we took for granted is no longer a given.

We have been warned. Not specifically about covid-19, but about the risk of a global pandemic. Yet in many countries we see that structures are not in place and warnings have been ignored for too long. As we are still grappling to understand what is happening, one cannot help but ask, whether governance systems have failed us.

When essential services are deprived of funding because it does not fit the political agenda of those in charge, this points to distorted governance systems that fail to set the right priorities for the public good. And can we really disregard the role corruption has played in fuelling this crisis? No, we cannot. It is clear that public officials have received grease payments to turn a blind eye to illegal trade in endangered species and disregard sub-standard hygiene in markets from where the virus has seemingly spread.

Fighting corruption and strengthening governance may not be at the top of most officials' priority lists right now as they are busy trying to control the spread of the virus and keep mortality levels low. But when we take a step back and have more space to reflect on underlying causes, we will have a terrible re-awakening to the realisation that corruption and bad governance are devastating our world and our lives.

That's why at the Basel Institute, we see our mission of combating corruption and strengthening governance not as a cause in itself. Instead, we see it as our contribution to sustainable development, equitable growth, stability, respect for human rights and peace.

Our team has worked hard again in 2019 to make inroads toward these overarching global goals. We are proud of our achievements, and acutely aware how our work interplays with the work of many others, be it in anti-corruption and governance or in other fields. This includes health, where corruption and weak governance compromise the achievement of better

development outcomes. Our partnerships with governments, the private sector, other international organisations and civil society are critical. The covid-19 crisis has shown us like nothing else that we need to come together to go forward.

We hope that the work we describe in our annual report inspires you. By now, when we write this foreword, we know only too well what topic will dominate the year 2020. We sincerely hope to make a contribution to fighting the root causes of this pandemic, so that we may come out of this tragic crisis not only with losses, but also with a new understanding of our global responsibilities, individually and collectively.

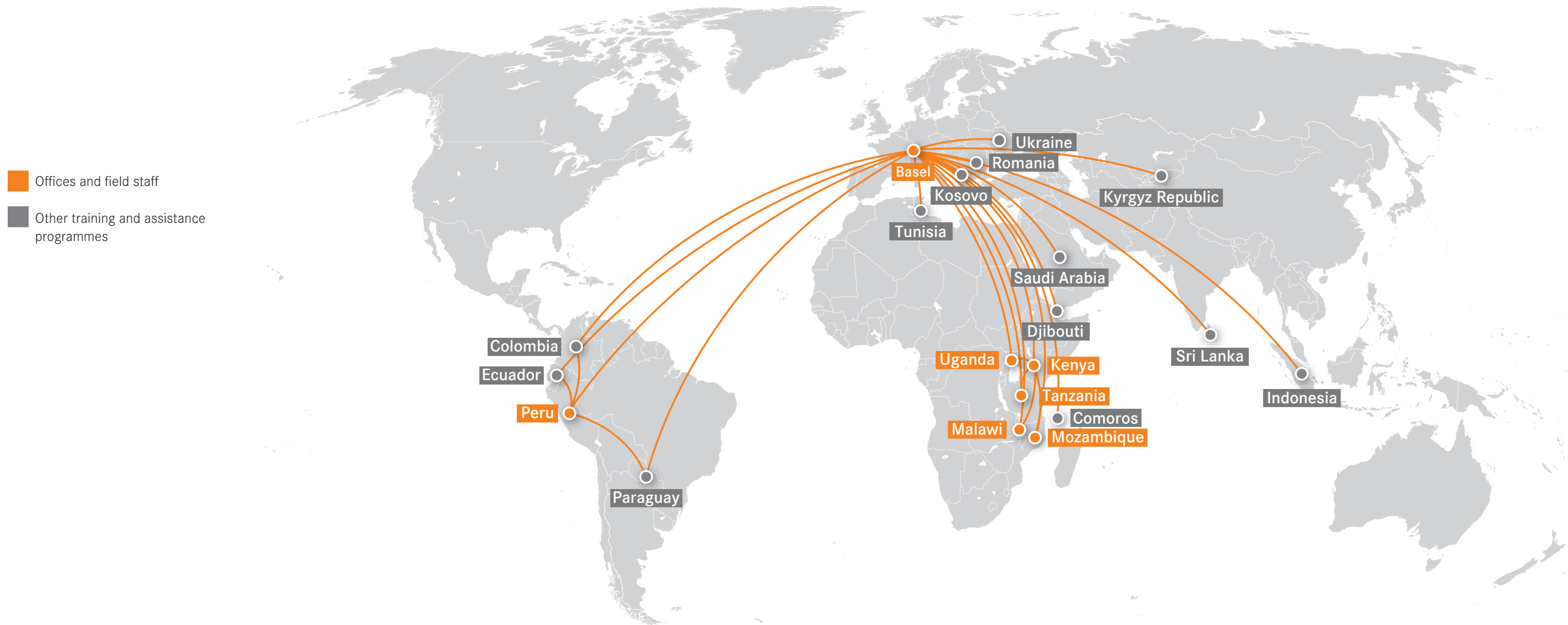
**Mark Pieth**  
President



**Gretta Fenner**  
Managing Director



# Where we worked in 2019



**10**  
Partner countries with long-term ICAR programmes

**5**  
Major governance research projects

**3,800**  
Followers on social media

**84**  
Total staff

**64**  
Active asset recovery cases

**19**  
National training programmes

**437**  
Basel AML Index Expert Edition users

**18**  
New staff members

**800+**  
Total new ICAR trainees

**430**  
eLearning courses completed

**33**  
Publications and blogs

**30**  
Nationalities in our team



# Asset Recovery



The International Centre for Asset Recovery (ICAR) provides hands-on, technical support to developing and transition countries to reduce corruption and recover stolen assets. Its assistance comprises case advice, training, institutional strengthening, international cooperation and policy advice.

See [www.baselgovernance.org/asset-recovery](http://www.baselgovernance.org/asset-recovery)

Around the world, money continues to be stolen from public coffers, paid in bribes and laundered on international financial markets. The impact is clear: corruption deprives countries of funds for sustainable development, erodes democratic institutions, and deters foreign direct investment and trade.

In the same vein, corruption is one of the main obstacles to the achievement of the 2030 Sustainable Development Goals. And whilst prevention is always better than cure, recovering illicit funds to invest in sustainable development, is a key element in the fight against corruption.

## IMPACT THAT GOES BEYOND THE ASSETS

The Basel Institute's International Centre for Asset Recovery (ICAR) continues to be one of the only organisations specialised in the recovery of stolen assets. We support developing and transitioning countries in building capacity to recover stolen assets, with a special focus on particularly complex cases and the introduction of new working methods and legal and investigative tools. Our partner countries are increasingly successful in their efforts to recover stolen funds. But our impact goes further: our experience over the last 14 years shows that asset recovery also has a strong preventive and deterrent role, and is key to strengthening trust, accountability and the rule of law. In this light, 2019 was a particularly good year for ICAR. We saw several breakthroughs in our efforts to institutionalise better ways of working, and working together, in our 10 partner countries.

## BUILDING CAPACITY TO SUPPORT ANTI-CORRUPTION CHAMPIONS

Our training team has been working harder than ever, delivering 19 tailor-made workshops in partner countries in 2019. Topics ranged from fundamental skills in financial investigation and mutual legal assistance to advanced understanding of offshore structures and cryptocurrency-enabled money laundering. What the trainees learn through hands-on simulated cases has a discernible impact on their daily work. Further, ICAR's deliberate effort to involve a mix of disciplines promotes inter-agency collaboration and a more joined-up approach to asset recovery.

In 2019, we saw a surge in demand for shorter courses on special topics such as new national legislation or particular skill gaps. Our 15 in-country experts delivered 24 such courses between them, in addition to ongoing efforts to build capacity through mentoring on live cases.

This broad yet targeted approach to building capacity and cooperation leads to results. When Peruvian authorities recovered USD 19.5 million in the first successful case using non-conviction-based forfeiture mechanisms in Peru, the prosecutor in charge traced his achievement back to ICAR training and case mentoring. In Kenya, anti-corruption officials supported by our in-country expert recovered USD 40 million in 2019 alone.

## BUILDING ON SUCCESS, STEP BY STEP

Our case portfolio continued to broaden in 2019. It now ranges from the largest, most high-profile international cases of grand corruption to smaller domestic cases. We find these smaller cases an effective pathway to introduce new ways of working and institutionalise good practices. Recovery is often faster when international cooperation is not required. Officers gain skills, confidence and motivation to tackle more complex investigations.

A typical side effect of our case work is running into gaps that undermine the capacities of anti-corruption institutions to trace, freeze and confiscate illegal assets. Case advice has proven a particularly effective way to pilot innovative asset recovery tools and procedures to address those gaps.

In Tanzania, a new Intelligence Directorate at the Prevention and Combating of Corruption Bureau, set up this year with ICAR support, is already receiving and analysing crucial financial intelligence from around the country. In Kenya, our expert is shaping the next generation of intelligence gathering through a new cross-agency taskforce of law enforcement and financial institutions. Several of our partner countries are activating previously unused legislation on unexplained wealth, with game-changing success.

## MULTI-AGENCY UNITS FOR SUSTAINABLE CHANGE

When ICAR's partner countries see the benefits associated with these new approaches to asset recovery, they often request our technical assistance to institutionalise these in the form of multi-agency units or taskforces. The global asset recovery community increasingly recognises the value of these multidisciplinary teams in building sustainable specialist capacity and facilitating inter-agency and international cooperation.

A specialist unit within the Attorney General's Office in Peru, for example, established in 2017-18 with ICAR support, continues to be a focal point for our case advice team. It is now the driving force behind Peru's moves to develop a comprehensive asset recovery system and maximise the potential of a new non-conviction-based forfeiture law. Similar efforts are underway in Uganda, Malawi and Mozambique (see timeline, page 16), where ICAR experts have also contributed to significant amendments to three key pieces of legislation.

## SOFTER ASSETS AND STRONGER SYSTEMS

It is common to see our country programmes evolve from an initial emphasis on case advice and foundational training to a broader focus on systems strengthening. Our hands-on, embedded technical support ensures that the units and policies we help set up are not just a copy-paste of international good practice but are locally anchored and contextualised.

In addition to the hard assets we help recover, ICAR's impact also results in what we like to call soft assets: more effective anti-corruption institutions and regimes which, in turn, increase trust in the rule of law and governments in general.



## At a glance

### LEGAL AND CASE CONSULTANCY

- Active case advice in 10 partner countries across Africa, Asia and Latin America.
- Country programmes in Malawi, Mozambique and Kenya were extended or expanded in 2019.
- Technical and strategic assistance on 64 cases: breakthroughs include Malawi achieving 10 convictions relating to the precursor to the Cashgate scandal and Ecuador tackling corruption cases involving top-level politicians.
- Landmark recoveries in Peru under new non-conviction-based forfeiture legislation, implemented with ICAR support and training.
- Significant strides in the use and sharing of intelligence, setup of new dedicated teams on intelligence and international cooperation, and establishment of multi-disciplinary asset recovery units.

### TRAINING AND E-LEARNING

- 19 training programmes delivered to 500 investigators, prosecutors and judges in seven countries.
- A record 300+ Tanzanian officials trained by ICAR-certified local trainers.
- 24 expert-led short courses on intelligence gathering, multi-agency investigations, international cooperation and more.
- 430 eLearning courses completed, up 87% from last year. See page 46.
- Training and presentations for partner initiatives including a cryptocurrency and money laundering course with law firm MME, a session on asset tracing for the Rule of Law and Anti-Corruption Centre and the final workshop of the Mapping and Visualising Cross-Border Crime initiative.

### DIGITAL TOOLS

- Publication of 8th edition of the Basel AML Index, an independent ranking of countries' risk exposure to money laundering and terrorist financing, with a record 18,000+ page views in the month of release. See page 44.
- Basel Open Intelligence search tool launched: encouraging early demand from financial investigators, compliance officers, due diligence auditors and investigative journalists wishing to streamline their open-source online research. See page 45.

### GLOBAL POLICY DIALOGUE

- The 2nd Africa-Europe Dialogue on Asset Recovery in Berlin, co-organised by ICAR and GIZ on behalf of the German Ministry for Economic Cooperation and Development (BMZ), emphasised flexibility, cooperation and innovation.
- An ICAR side event at the Conference of the States Parties to the UNCAC in Abu Dhabi sparked debate on overcoming legislative differences during international cooperation on asset recovery cases.
- Jersey joined Switzerland, the UK and Kenya in signing the ICAR-supported FRACCK agreement, which encourages transparency and accountability in asset return.
- Continued dissemination of the Guidelines for the Efficient Recovery of Stolen Assets with the Swiss Department of Foreign Affairs and StAR Initiative.



**100%**  
Trainees rate ICAR training programmes as Good or Excellent



## Looking ahead

- Seek to respond to demands for expanding the institutional scope of ICAR in-country programmes to support a chain-linked approach to asset recovery.
- Drive and support the establishment of multi-agency asset recovery units to address shortfalls in specialist capacity and collaboration.
- Draw further on the Basel Institute's broader expertise in corruption prevention and private-sector engagement to support ICAR partner institutions.
- Promote the dissemination of innovative legal practices from ICAR partner countries in international forums, in particular through case-based knowledge products.
- Encourage policy dialogue to increase international co-operation and remove obstacles to effective mutual legal assistance.
- Continuously refine and promote the use of Basel Open Intelligence by public-sector investigators.



---

## A landmark case of unexplained wealth in Kenya brightens the path ahead

Simon Marsh, Senior Investigation Specialist, International Centre for Asset Recovery



“ In 2019, Kenya achieved its second and largest unexplained wealth order for an amount exceeding USD 3 million. The case involved a senior county official in a position to exert influence over the awarding of procurement contracts.

With ICAR support, officers of Kenya’s Ethics and Anti-Corruption Commission (EACC) were able to review substantial amounts of financial material to identify the flow of funds and subsequent acquisition of properties. The cash deposits into the account equated to several hundred times the individual’s salary. Claims that they originated from other business interests were nullified by working with the revenue authority.

In addition to ongoing criminal cases, the EACC applied for an unexplained wealth order against the individual. After a contested hearing, the judge granted the order agreeing that the respondent was unable to justify his excessive wealth.

The impact of this case extends far beyond the USD 3 million in confiscated assets – important as those are. It shows how ICAR’s guidance on specific cases can lead to new skills, more enforcement, and legal and technical innovation. It sets a strong precedent for such cases in Kenya and other East and Southern African countries moving forward and – in line with ICAR’s theory of change – in the long term we can hope it will act as a deterrent.

”

---

## Working together against a common enemy: how ICAR training promotes inter-agency relations

Martin Chipofya, Senior Resident Magistrate, Blantyre, Malawi



“ Recent events in Malawi have made me reflect on the training programmes that the Basel Institute on Governance has conducted through its International Centre for Asset Recovery. I had the chance to attend two in 2019: on Financial Investigations and Asset Recovery, and on Offshore Structures and Mutual Legal Assistance.

What I earnestly appreciate about these training programmes is that they are not just about training in the narrow sense. Although the skills we learn are extremely important, it is also important that participants are drawn from different law enforcement agencies. During group work, the trainers make sure that each group has officers from different agencies. That is crucial for getting to know each other and understanding the challenges that our counterparts face.

The training programme is also a platform for getting feedback on how our agencies are performing and how we are complementing or assisting the work of officers in other agencies. If it turns out we are involuntarily impeding or frustrating the actions of others, it helps us to jointly find the solution.

There are many of us in Malawi who are passionate about fighting corruption and financial crime generally in our country. We are determined to trace and recover the proceeds of crime for the benefit of our people. To succeed in this frankly challenging task, we in the law enforcement community need assistance and coordination – between ourselves as well as at an international level.

I am glad that, with the help of the Basel Institute’s ICAR training team, I have been able to appreciate the value of such assistance and coordination. This opportunity has also motivated me to specialise in financial crimes in my future studies.

”

## Our message to criminals: justice may take time, but she does not forget

Dr Hamilton Castro, Specialised Anti-corruption Prosecutor, Office of the Attorney General, Peru



“ In 2019 I celebrated, with my colleagues in the Peruvian justice system and partners at the Basel Institute, a landmark decision in Peru’s first ever asset recovery case based on a new non-conviction-based confiscation law.

The case relates to a bank account containing laundered money from a Peruvian navy general who is now deceased. For this reason, a criminal conviction of the general was not possible. The Peruvian courts have declared that the money belongs to Peru and should be returned in line with precedents in cases involving Luxembourg and Switzerland.

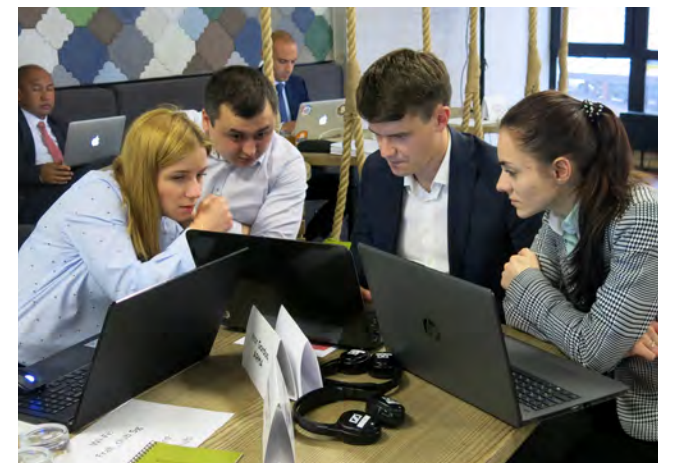
This case, like many others in my career, has benefited greatly from strategic advice and assistance in international judicial cooperation provided by the Basel Institute’s International Centre for Asset Recovery. The experts’ support in these matters has so far helped my office to recover around USD 35 million in funds that were stashed in foreign accounts and linked to serious acts of state corruption in Peru.

I believe the benefits to Peru go far beyond the money recovered. All the cases on which we have worked together are helping to build pathways for greater international collaboration on asset recovery. They are helping to restore citizens’ trust in the judicial system.

And our joint achievements deliver an implicit message to criminals: justice may take time, but she does not forget.

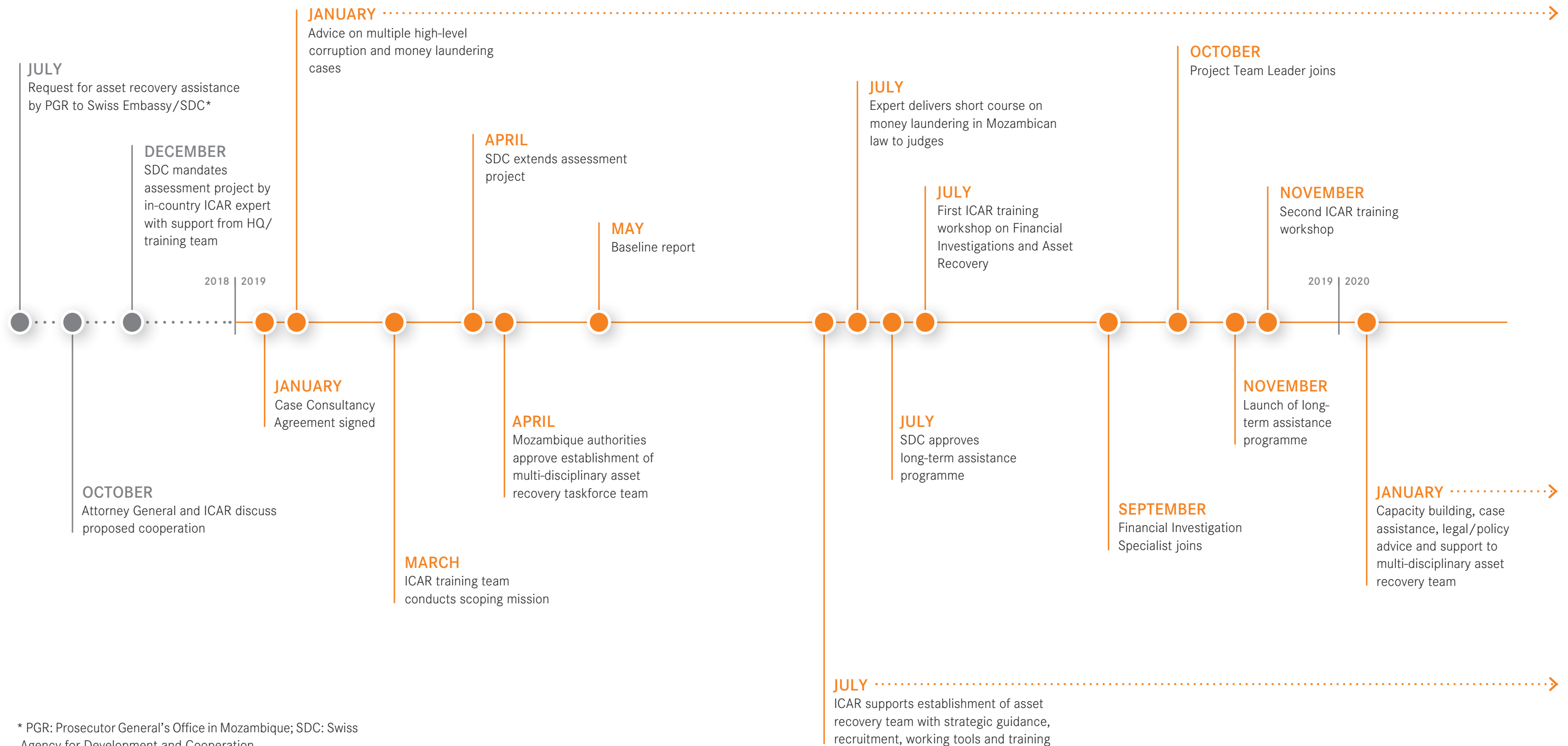








# Development and launch of our technical assistance programme in Mozambique



# Public Governance



The Public Governance team conducts research on the root causes of corruption, develops evidence- and network-based anti-corruption approaches and provides training and technical assistance on relevant political and social aspects.

See [baselgovernance.org/public-governance](https://baselgovernance.org/public-governance)

2019 has been a year of fresh ideas and innovation in our efforts to support our partners in shaping more effective corruption prevention programmes. New projects are growing out of the fertile ground laid by more than a decade of extensive academic research on the causes of corruption.

Our cycle of activities revolves around a simple approach. In our research, we dig deep to tease out the diverse drivers and networks of corruption and their relevance in different contexts. This lays down a strong basis of evidence for our training and technical assistance services and the Basel Institute's wider work to help partners around the world cut corruption and strengthen governance.

## APPLYING EVIDENCE ON SOCIAL NORMS AND NETWORKS

Two new research projects under the Global Integrity Anti-Corruption Evidence Programme (GI-ACE) of the UK Department for International Development (DFID) aim to generate new, operationally relevant research evidence on tackling corruption.

In Tanzania, we are developing a community-based pilot intervention to address bribery and favouritism in the health sector. It draws on the findings of our research into the behavioural drivers of corruption, such as certain social norms, that normalise bribery, favouritism and embezzlement.

The second project looks at ways to leverage our understanding of informal governance to design anti-corruption interventions targeted at social networks, not just individuals. Acts of corruption are often associated with informal networks at all levels, from elites to average citizens, yet programmes often focus narrowly on individual behaviours.

## BRINGING TOGETHER EVIDENCE AND EXPERTISE ACROSS THE BASEL INSTITUTE

These threads – social norms, social networks, behaviour, informality – wind through two other new research projects launched in 2019 as part of cross-disciplinary programmes at the Basel Institute.

As part of a PMI Impact-funded project on corruption and illegal wildlife trade (see page 38), we are leading field research in Uganda to better understand what drives community members to engage in wildlife trafficking and how the context facilitates this. Our novel application of social network analysis to data on trafficking networks promises to inform counter-trafficking interventions, intelligence and policy.

In Malawi, our extensive support to the Anti-Corruption Bureau (ACB) in the drafting of a new National Anti-Corruption Strategy 2019-2024 (see page 22) is already flowing into a further cross-disciplinary research project aimed at supporting the strategy's implementation.

## ENCOURAGING JOINED-UP THINKING AND WAYS OF WORKING

An interesting development in our technical assistance services in 2019 responds to a common challenge among anti-corruption authorities: to fully exploit synergies between enforcement and prevention functions. At Tanzania's Prevention and Combating of Corruption Bureau (PCCB), our joint training programme for Prevention and Intelligence officers is already helping them work better together towards their common goals.

Back in Basel, we are ourselves always looking to join up our thinking and our working with partners who share our goals. Together, we are succeeding in bringing continuity, sustainability and innovation to our efforts to create corruption prevention programmes that really work.

## At a glance

### TECHNICAL ASSISTANCE

- Coordination of and support to the review process of the Malawian National Anti-Corruption Strategy II.
- Five-day training on Corruption Research and Anti-corruption Practice to officials of Tanzania's PCCB.
- Contribution to a study on development cooperation in non-democratic regimes for the SDC's Decentralisation, Democratisation and Local Governance thematic network.

### TEACHING AND POLICY DIALOGUE

- Course on Sustainability and Health Governance for Masters students at the University of Basel.
- Presentations on social norms, informal governance and corruption at the University of Basel and its Centre for African Studies, Swisspeace, the Swiss Tropical and Public Health Institute and CARE Netherlands.

### RESEARCH

- GI-ACE project and pilot intervention on "Addressing bribery and favouritism in the Tanzanian health sector: a behavioural approach".
- GI-ACE project on "Harnessing informality: designing anti-corruption network interventions and strategic use of legal instruments".
- Community engagement, field research and social network analysis focused on wildlife trafficking in East Africa.

## Looking ahead

- Develop an ever-stronger focus on applying research findings and methodologies to technical assistance work across the Basel Institute.
- Support the implementation of Malawi's National Anti-Corruption Strategy, in collaboration with our ICAR and Collective Action colleagues.
- Lead work on politics and governance as part of the Research Network Africa initiative at the University of Basel.
- Embrace opportunities to disseminate knowledge on corruption prevention and public governance more widely through publications, presentations and workshops.



# 76

Interviewees for wildlife trafficking research



## In fighting corruption in Malawi, prevention is better than cure

Mary Phombeya, Director of Corruption Prevention, Anti-Corruption Bureau (ACB), Malawi



“ Through our corruption prevention initiatives at the ACB, we are laying a firm foundation for the fight against corruption in Malawi. I believe our efforts will have a positive impact in the near future and contribute to the betterment of Malawi in the long term.

The continued and unwavering support of the Basel Institute on Governance in these corruption prevention initiatives is invaluable.

A training workshop delivered by the Basel Institute’s Public Governance team to Officers in the Prevention and Education Department has created a strong base for implementation of our Anti-Corruption Research and Anti-Corruption Interventions.

The Basel Institute has also ably coordinated the implementation of a Corruption Risk Assessment Project, which has been piloted in four District Councils. This helped us to unearth corruption risks and to develop, in conjunction with the Councils, appropriate mitigation measures.

Lastly, I would like to mention our new National Anti-Corruption Strategy, which we launched in 2019. During the review, the Basel Institute’s team helped us conduct a series of thorough nationwide consultations across all sectors. This has proved vital in ensuring the new strategy is inclusive, relevant and meets the needs of all Malawians.

”

“Another valuable activity has been promoting peer learning and support between the Basel Institute’s team in Peru and Corruption Prevention staff at the Malawi Anti-Corruption Bureau. In 2019, the ACB implemented a corruption risk management methodology developed by our Public Finance Management experts in Peru in four pilot districts. After the first successful phase of the pilot, we facilitated a virtual discussion between the Malawi and Peru teams to exchange best practices and lessons learned.”



**Claudia Baez-Camargo**  
Head of Governance Research

## Shining a light on wildlife crime networks with social network analysis

Jacopo Costa, Senior Research Fellow, Basel Institute on Governance



“ I joined the Basel Institute in 2019 as a specialist in social network analysis, a set of theories, methods and techniques to study relational networks created by collective or individual actors. It has been incredibly exciting to apply these as part of a PMI Impact-funded project looking at illegal wildlife trade between East Africa and Southeast Asia.

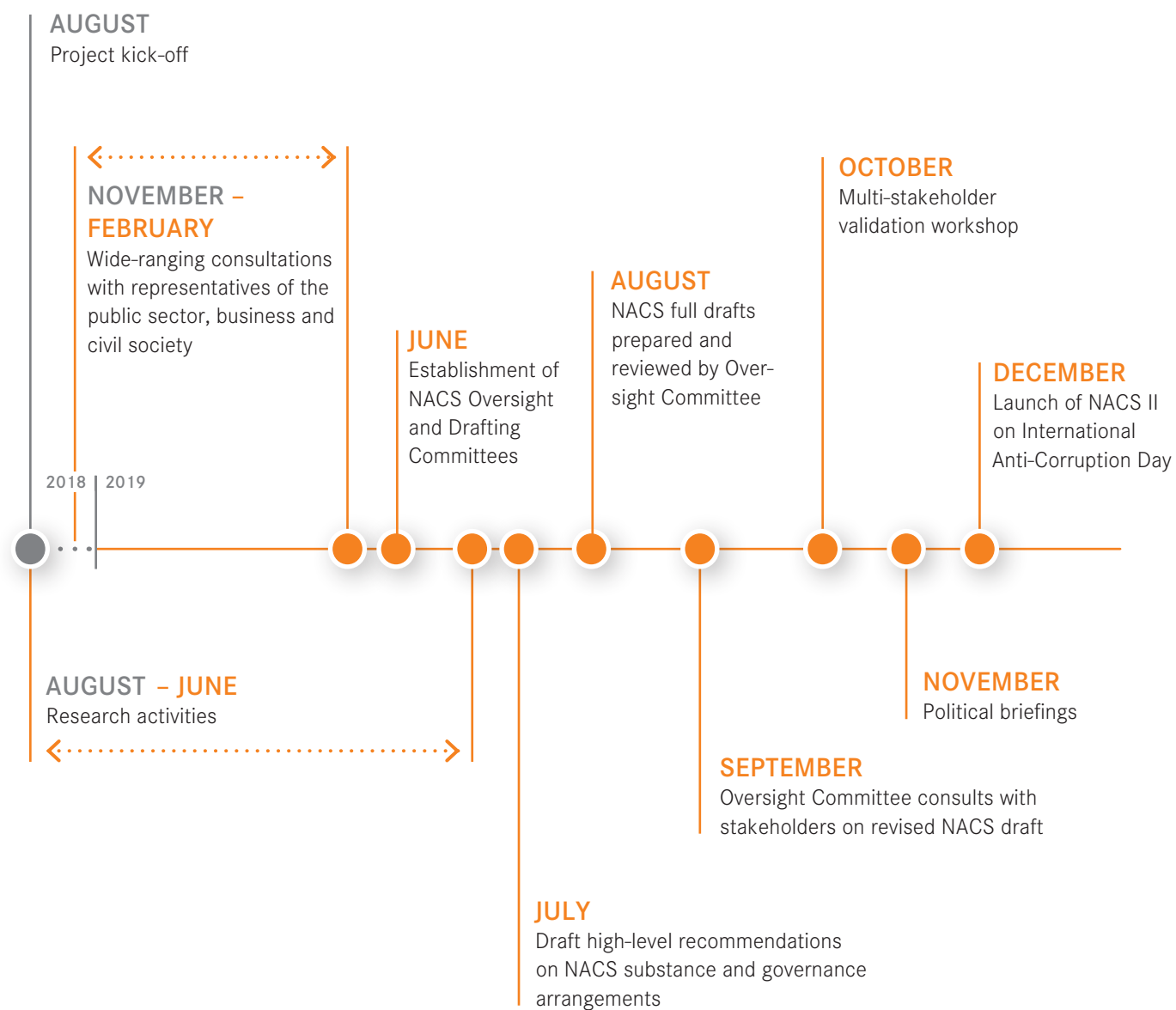
What is the role of criminal networks and organisations in managing, promoting and sustaining the illicit trade in wildlife goods? How does the system work at the local, regional and transnational levels? How are the criminal networks structured and how do they operate?

The application of social network analysis – to our knowledge for the first time in academic research on illegal wildlife trade – is helping us to explore these questions and more. It is opening up significant opportunities for synergies and cooperation with colleagues and experts working in IWT intelligence and law enforcement. Watch this space.

”

# Review of Malawi's National Anti-Corruption Strategy II

## Activities of our Public Governance team



# Collective Action

Our work in Collective Action over the last 15 years, in collaboration with partners such as the OECD, Transparency International, B20 and the World Economic Forum, has proven that Collective Action can be a game changer when implemented effectively. We believe it still has huge potential to catalyse systemic progress in raising integrity across industries. What will unleash this potential? We argue: its active consideration within an anti-corruption compliance programme.

This is the trigger for our new five-year project under the Siemens Integrity Initiative Third Funding Round, launched in October 2019. We have set ourselves an ambitious goal – to have Collective Action adopted as a norm by key standard-setting and enforcement institutions. The project’s three pillars highlight principles that have also shaped our work and impact in 2019.

## MAKING COLLECTIVE ACTION A GLOBAL NORM

Businesses committed to Collective Action call for strengthened incentives to convince other companies to engage and reach a critical mass. This is why our approach aims to make Collective Action part of standard anti-corruption practice. In 2019, we promoted Collective Action at 23 policy events with the aim of encouraging endorsements and guidance on Collective Action by standard-setting and enforcement bodies.

We also contributed to the OECD Working Group on Bribery’s revision of the 2009 Recommendation with specific proposals for new text on Collective Action. We hope to see these included in the revised Recommendation published in 2020.

## EVIDENCE-BASED APPLICATION

There are ongoing calls from business for more data and evidence on Collective Action tools. In 2019, with support from the KBA-NotaSys Integrity Fund, we launched projects to bolster the evidence base for two prominent forms of Collective Action: Integrity Pacts and Certification Initiatives.

The results of our research – including roundtables, surveys and deep dives into case studies around the world – will be published in 2020. They will join a database of over 130 initiatives, research and guidance on Collective Action tools on the B20 Collective Action Hub (see page 47). They will also directly inform current Collective Action initiatives such as the Banknote

Ethics Initiative, which we have supported throughout 2019 in their efforts to promote Integrity Pacts in the banknote industry.

## INNOVATION FOR NEW COMPLIANCE NEEDS

Over the last two decades, Collective Action has developed into a flexible tool offering a wide variety of approaches that can be adapted according to the issues that stakeholders want to address.

Companies have been demanding new solutions to persistent bribery solicitation by public officials. The High Level Reporting Mechanism (HLRM), a mechanism we developed in conjunction with the OECD and Transparency International, has proven successful in pilot countries including Colombia, where in 2019 we supported its implementation for the Bogotá Metro project.

We also see that businesses are struggling to deal with multiple regulatory demands across a range of compliance issues. We have been helping financial institutions and other companies manage their risk exposure to corruption related to illegal wildlife trade through research and facilitation of a financial industry focus group (see page 38).

Human rights compliance will be a fresh focus in 2020. How can we rationalise corporate efforts to protect human rights and prevent corruption within the compliance sphere? Keep an eye on our Collective Action Hub and Twitter account to see our updates on this and more.



The International Centre for Collective Action (ICCA) supports companies and multi-stakeholder groups with advice on Collective Action initiatives. It hosts the B20 Collective Action Hub, an online resource centre on for anti-corruption Collective Action.

See [baselgovernance.org/collective-action](https://baselgovernance.org/collective-action)

## At a glance

### PROJECTS AND RESEARCH

- Launch of two KBA-NotaSys Integrity Fund projects to strengthen the evidence base for Integrity Pacts and Certification Initiatives.
- Research and working group facilitation under a PMI Impact project to leverage private-sector action against corruption and illegal wildlife trade.
- Private-sector engagement in Malawi in support of the National Anti-Corruption Strategy II review (see page 22).

### INITIATIVES

- Support for implementation of a High Level Reporting Mechanism (HLRM) for the Bogotá Metro project.

- Support to industry-specific Collective Action initiatives including the Metals Technology Industry initiative, Banknote Ethics Initiative, Alliance for Integrity and Maritime Anti-Corruption Network.

### TRAINING AND PRESENTATIONS

- Delivery of the Collective Action module to students of the International Master in Anti-Corruption Compliance and Collective Action course.
- Promotion of Collective Action at major conferences and policy events around the world, organised by the OECD, UN Global Compact, WEF Partnering Against Corruption Initiative and other partners.

## Looking ahead

- Implement the new Siemens Integrity Initiative project.
- Publish a series of resources on Integrity Pacts and Certification Initiatives.
- Provide guidance on anti-corruption Collective Action to SMEs under the UK Business Integrity Initiative (see page 28).
- Provide support to the B20 Saudi Arabia Integrity & Compliance Taskforce as Network Partner.
- Enhance the B20 Collective Action Hub resource site and outreach via social media.



# 23

Policy events at which we promoted Collective Action



---

## Developing new preventive approaches to safeguard banknote procurement

Antti Heinonen, Chairman of Banknote Ethics Initiative (BnEI)



“ BnEI is a Collective Action that focuses on preventing corruption and compliance with antitrust law within the banknote industry. Central banks are the major customer group of the industry, and BnEI has teamed up with the Basel Institute to develop new preventive approaches to safeguard banknote procurement e.g via Integrity Pacts.

The highlight in 2019 was the joint staffing by the BnEI and Basel Institute of an information booth at the 2019 Currency Conference with more than 700 delegates and representation from 70 central banks.

The information booth represented an excellent opportunity to make contacts within the target audience, and provided increasing attention and scrutiny by central banks to the integrity practices within the industry. It also resulted in the first invitation by a central bank to provide an in-depth presentation and has provided us with greater insights to better define our strategy going forward.



---

## With the help of our partners, Alliance for Integrity will be a game changer for enhancing business integrity

Susanne Friedrich, Director, Alliance for Integrity



“ My highlight in 2019 was the development of our global vision that reflects our unique approach to promoting business integrity across borders. By 2025, the Alliance for Integrity aims to be the global game changer for enhancing business integrity through multi-stakeholder collaboration.

The key success factor down this path is the high engagement of our partners that are jointly working on the sustainable future of the initiative.

As a member of our Steering Committee and longstanding partner, the Basel Institute on Governance has provided an invaluable contribution not only to our vision but to the growth of the Alliance for Integrity as a whole.

With the team's vast expertise and experience in anti-corruption, the Basel Institute is a strong partner that shares our belief in the solid impact of Collective Action. I am looking forward to many more joint highlights in 2020.



# Compliance and Collective Action guidance for SMEs

During 2019, the Basel Institute provided guidance on compliance and bribery prevention to several micro, small and medium-sized enterprises (SMEs) under the UK government's Business Integrity Initiative. The aim of the initiative is to help SMEs do business with integrity in challenging markets – a need that is all the more pertinent in times of political and economic uncertainty.

Here's what two of the SMEs we helped said:

## A 3D PRINTING ENTERPRISE SEEKS GUIDANCE ON ANTI-CORRUPTION COMPLIANCE AND RISK ASSESSMENTS

“Having moved the base of our operations from Africa to the UK, we needed a new perspective on our legal obligations and corruption risks. The Basel Institute provided us with practical training and pragmatic advice on developing our compliance policies and procedures tailored to our micro enterprise, as well as new insights into corruption risks in various African countries we hadn't seen before.”



**Elizabeth Rogers**  
CEO, Kuunda 3D



## A UK MICRO ENTERPRISE IN CLEAN ENERGY TECHNOLOGY REQUESTS CORRUPTION PREVENTION GUIDANCE ON ENTERING NEW MARKETS

“We want our unique HydroGen™ technology to be available to customers in all parts of the world – and we want our business dealings to remain as clean as our technology. With the Basel Institute's guidance, we have been able to clarify our ethical standards internally and communicate them clearly to our customers.”



**Phill Davies**  
CEO, Water Fuel Engineering



Guidance is available from the Basel Institute in three areas: anti-corruption compliance, corruption prevention and anti-corruption Collective Action. Find out more about the initiative and our services at [www.baselgovernance.org/compliance/sme-guidance-services](http://www.baselgovernance.org/compliance/sme-guidance-services)

# Compliance and Corporate Governance

Size was the standout feature of our anti-corruption compliance advisory services in 2019. At one end of the scale, we provided practical compliance training and advice to micro enterprises in the clean energy and 3D printing sectors under the UK Business Integrity Initiative. At the other end, we supported a multinational construction firm battling to recover from a bribery crisis.

Whatever the size and reach of our private-sector clients, our approach is consistent. We help them to develop preventive measures that are tailored to their needs and fit the context in which they have to work.

## STUCK IN THE MIDDLE?

In 2019, we helped several mid-sized companies to develop risk assessments and solutions that encompass the suppliers of their third-party business partners.

Why? Because mid-sized exporters are often the most vulnerable to corruption risks. Their compliance programmes are often more suited to a small company, yet they are exposed to the same risks as the big players. They lack the power of a multinational to set standards for their supply chains.

This is a problem, because bribery risks do not just arise from a company's business partners, their owners or location, but from the supply chains of these partners. These risks are difficult to control for a mid-sized company that is remote from these relationships but which could spill over and damage them too.

## CRISIS MANAGEMENT MADE EASIER

While overseeing an internal company investigation of serious fraud allegations in 2019, our compliance advisors leveraged the Basel Institute's wider expertise by teaming up with colleagues in the asset recovery team experienced in gathering evidence and interviewing witnesses.

This streamlined, joint approach helped ensure that the investigation was based on a comprehensive body of evidence, and that the rights of employees and those who reported the

allegation were properly safeguarded. Safeguarding also applied to the reputation of the company towards wider stakeholders, allowing the company to continue to function rather than be paralysed by the process.

At the end, the company emerged with a clearer understanding of its corporate corruption risks – and stronger measures to prevent them.

“Our personalised support to organisations doesn't need to be in-person. In 2019, we already started providing advice and training on corporate governance and compliance virtually. It's fast and effective and, as companies and organisations undergo rapid changes triggered by covid-19, it is needed more than ever. Whatever the size and shape of your organisation and your compliance concerns, feel free to contact us.”



**Gemma Aiolfi**  
Head of Compliance, Corporate Governance and Collective Action



Our experienced advisors help organisations to develop, improve and implement effective compliance programmes, mentor compliance officers, strengthen governance systems and manage bribery- and corruption-related crises, including internal investigation advice and support.

See [baselgovernance.org/compliance](https://baselgovernance.org/compliance)

## At a glance

### COMPLIANCE TRAINING

- Support to students at the Malaysian Institute of Management undertaking courses on compliance, governance and anti-corruption.

### POLICY DIALOGUE

- Head of Compliance and Collective Action appointed to the OECD Trust in Business Initiative advisory board.
- Keynote speeches, panel moderation and participation in global compliance forums organised by the OECD, EBRD, OSCE, UN Global Compact, International Chamber of Commerce and other partners.

### ADVISORY SERVICES

- Guidance on anti-corruption compliance and bribery prevention to SMEs under a mandate from the UK Business Integrity Initiative.
- Advice and support to international companies and state-owned enterprises on their anti-corruption compliance programmes, including crisis management.
- Oversight of a major internal fraud investigation for a logistics company.
- Legal opinions with Professor Mark Pieth on cases of corruption and conflict of interest.

## Looking ahead

- Implement and promote the Compliance without Borders initiative with the OECD Trust in Business Initiative.
- Continue to support SMEs in compliance and bribery prevention under the UK Business Integrity Initiative (see page 28).
- Raise awareness in the corporate and financial sectors of Basel Open Intelligence (see page 45), the Basel Institute's open-source search tool for compliance and due diligence.



4

SMEs supported with compliance services under UK Business Integrity Initiative



# Public Finance Management



Through the Basel Institute's regional office in Peru, a team of specialists provides comprehensive support to 11 Peruvian local and regional governments to generate more effective, efficient and transparent use of public funds.

See [baselgovernance.org/public-finance-peru](https://baselgovernance.org/public-finance-peru) and (in Spanish) [www.gfpsubnacional.pe](https://www.gfpsubnacional.pe)

A four-year programme implemented by the Basel Institute to strengthen standards of public financial management in 11 regions and municipalities in Peru has been extended until 2023, following an excellent evaluation. Funded by the Swiss State Secretariat for Economic Affairs, the Programme now has the chance to build on its achievements and ensure lasting impact for citizens.

This means not just improved processes and policies on paper, but real impact on peoples' lives – like schools with enough books and hospitals stocked with vaccines and medical equipment. Ultimately, this goal depends on government officials at all levels having the capacity to plan, implement and execute public budgets with transparency and accountability, in line with national priorities such as health and education.

## STRENGTHENING SYSTEMS AND CAPACITY

With our technical and strategic guidance, the 11 beneficiary subnational governments now boast clear plans and processes for managing public finances, integrated into transparent management systems. Lessons learned have contributed to five new proposed protocols that help to institutionalise knowledge and mitigate the issue of staff rotations.

Strengthening systems is about people, not just processes, so building sustainable capacity has been a major focus. Over the course of the Programme, 229 public officials have graduated with a specialised Diploma in Management and Public Finances in collaboration with Universidad ESAN. Over 3,350 individuals have completed online training in tools for monitoring budget execution and open government. Another 8,000 have attended workshops and conferences across the country.

## INNOVATION AND CULTURE CHANGE

All 11 subnational governments have implemented Codes of Conduct for their employees, based on a participatory methodology developed by our specialists and OECD policy analysts. Peru's Ministries of Finance and of Energy and Mines have now also adopted this methodology.

A new Public Finance Management Experts Network, an initiative of our diploma graduates, is helping to foster a

constructive dialogue with the central Peruvian government.

Programme experts are also supporting representatives of the 11 governments on a pioneering project with the PEFA Secretariat to enhance Public Expenditure and Financial Accountability evaluations.

Public accountability consultations held in 2019 by several subnational government are another example of the culture change taking place within Peru. Citizens will benefit in tangible ways from this increased transparency and accountability.

## RECOVERING STOLEN ASSETS FOR DEVELOPMENT

Over four years and with the collaboration of ICAR (see page 6), our Peru-based asset recovery specialists have helped recover USD 40.7 million stolen from the Peruvian people through corruption. Recovering these assets is crucial to funding Peru's sustainable development initiatives, as well as sending a message to corrupt officials and companies that impunity is over and citizens are the priority.

As part of these efforts, we have trained 1,280 law enforcement and judicial officials in asset recovery techniques and the use of international cooperation mechanisms such as mutual legal assistance. Our team has also provided technical guidance on the establishment of an Asset Recovery Office in Peru and on innovative legal instruments including plea bargaining and non-conviction-based confiscation.

## At a glance

### PUBLIC FINANCE MANAGEMENT

- Continued provision of technical assistance to subnational governments, with special attention to best practices in public expenditure and budget transparency.
- Completion of Codes of Conduct for all subnational governments.
- Ongoing training of officials and civil society representatives in open government and internal controls.
- Virtual training in open government and tools for monitoring budget execution, including publication of a new instructional YouTube video.
- Support for new Public Finance Management Experts Network.
- Support for subnational governments in implementing PEFA action plans.
- Collaboration with the PEFA Secretariat to revamp the practical guide to post-PEFA evaluations and the development of action plans.

- Ongoing support for citizen involvement in local public accountability hearings.
- Regular events and meetings with governing bodies relating to budget planning, administrative systems, integrity, anti-corruption and civil society, plus ongoing coordination with relevant national authorities.
- Publication of a protocol for monitoring annual budget execution in Peru, complementing a series of previous guidelines and proposed protocols aimed at strengthening decentralised public financial management.

### ASSET RECOVERY

- Technical assistance for Peru's new Asset Recovery Office, plus case work (see page 6).
- Capacity building in asset recovery techniques and international cooperation, particularly in support of a national programme to implement a new non-conviction-based confiscation law.

## Looking ahead

- Support subnational governments in developing tools to improve public investment, basic services, property tax collection, and internal controls and transparency.
- Facilitate innovative learning practices through online tools, peer-to-peer networks and train-the-trainer initiatives, as well as through new guidelines and protocols.
- Strengthen capacity in revenue collection, management and forecasting.
- Expand judiciary training to help recover misappropriated public funds and build a feedback loop into the process to strengthen internal controls.



# 3,350

Peruvian officials, academics and citizens completed virtual training in budget monitoring tools

---

## Cusco needs them: how the PFM Programme helps us provide high-quality public services to our citizens

Ricardo Valderrama, Mayor of the Province of Cusco, Peru



“ The Provincial Municipality of Cusco has in its hands the government of a city that demands efficiency in public services.

We strive every day to provide suitable and high-quality services for the people of Cusco and the thousands of tourists who arrive daily in our city. Their expectations are high and all of us in the public sector do everything we can to meet their demands. Services such as public safety, waste management and urban mobility are among the most important.

In these efforts, we value greatly the support of consultants of the Subnational Public Finance Management Strengthening Programme of the Swiss SECO Cooperation. They are always by our side.

With their help, we are better able to keep our sights set on the ultimate goal of our work. This enables us to achieve the sustainability, technical precision and coordination with the key sectors that we need to carry out our intended reforms.

We hope that this work will continue with those who inherit our efforts. Cusco needs them. We are very grateful to our friends in Switzerland and to the Basel Institute on Governance as implementers of the programme.

”

---

## The wider value of working closely with subnational governments in Peru

Carlos Oliva, Component Leader, Basel Institute on Governance - Peru



“ The Subnational Public Finance Management Strengthening Programme in Peru stands out for its work on issues that are crucial for the sound management of fiscal policy and for helping to close gaps in government responsibility.

I have recently returned to the Programme after serving as Minister of the Economy and Finance in Peru from 2018 to 2019. My previous experience with the Programme from 2016–2018, as Team Leader and later Co-Director, helped me to design and implement strong policies to improve public financial management while in office. Peru’s new National Procurement System legislation is one example.

What makes the Programme so valuable? First, working directly with regional and local governments enables the kind of deep understanding of problems that are needed to solve them.

Second, our technical assistance supports the beneficiary subnational governments in their efforts to improve efficiency, effectiveness, transparency and quality in public spending – all of which ultimately results in better services for citizens.

Not only that, it generates good practices and lessons learned that serve to further improve the design of national policies.

”







# Illegal Wildlife Trade



A Basel Institute-wide programme that focuses our collective expertise in countering financial crime on the world's fourth largest illegal trade – wildlife trafficking.

See [baselgovernance.org/illegal-wildlife-trade](https://baselgovernance.org/illegal-wildlife-trade)

Our illegal wildlife trade (IWT) programme filled only a small box in last year's annual report. In 2019, our efforts developed exponentially in response to growing international calls for a coordinated follow-the-money approach to stop the devastating illegal trade. As we write this report in spring 2020, during the covid-19 pandemic, it has never been a more obvious if immensely tragic reality that the fight against IWT can help save lives.

The multidisciplinary programme builds on, and feeds back into, our network and experience working with public and private actors around the world to prevent and combat serious organised crime and corruption. This mix of expertise enables us to occupy a unique place within the network of efforts to counter IWT, complementing the work of our partners in conservation, Collective Action, policymaking and enforcement.

## PUBLIC-PRIVATE COLLABORATION ON INTELLIGENCE

2019 has been a year of breakthroughs in unlocking private-sector intelligence and action against IWT through the United for Wildlife Transport and Financial Taskforces. The Taskforces, led by the Duke of Cambridge and Lord William Hague, bring together the world's most powerful transport companies and financial institutions with law enforcement and field experts.

Our intelligence team, which operates the Information Sharing System at the heart of the initiative, has helped to mobilise Taskforce member companies to catalyse enforcement outcomes in several high-value cases of wildlife trafficking.

On the prevention side, we have worked closely with companies and financial institutions to help them embed IWT red flags in their risk profiles and use intelligence to strengthen their resilience against IWT and related financial crimes.

## SEWING A STRONGER NET TO CATCH BIGGER FISH

Two dedicated financial investigation experts have been working across East Africa to strengthen capacity and cooperation among agencies responsible for investigating and prosecuting cases of wildlife crime.

Our experts have been mentoring wildlife crime investigators in financial analysis and asset tracing techniques with the aim

of making financial investigation part of their standard procedures. The focus has also been on facilitating intelligence-sharing and joined-up operations through training and regional meetings.

The aim is to help our law enforcement partners systematically work together to follow the money trail to the high-level traffickers and their transnational networks – then take the profit out of the picture by recovering their ill-gotten assets.

## BUILDING THE EVIDENCE BASE FOR COUNTER-IWT INITIATIVES

Addressing IWT through a corruption lens is a relatively new approach. What are the drivers, players and incentive structures? In other fields, anti-corruption practitioners can draw on decades of research around these questions to increase the effectiveness of their programmes. Not so in IWT.

To build such a solid foundation, our research team is engaging with communities in Uganda to tease out the real drivers and facilitators of wildlife trafficking, how the trafficking networks interact with formal and informal economies, and where corruption fits into the wider picture. Their approach draws on years of behavioural research into how social norms and informal networks influence corrupt behaviour, as well as expertise in political economy and social network analysis.

## At a glance

### INTELLIGENCE

- Operation of the Information Sharing System of the United for Wildlife Transport and Financial Taskforces, supporting 150+ member companies with 68 new red flags and typologies.
- Support to the major IWT enforcement agencies in East Africa through training and mentoring in financial investigation, intelligence analysis and regional cooperation.
- Assistance to law enforcement in dismantling a major international trafficking network based out of East Africa, plus crucial ongoing support to 20+ major investigations and operations.

### COLLECTIVE ACTION

- Working Paper 32 on private-sector engagement in multi-stakeholder initiatives against IWT, plus focus group facilitation by our Collective Action team to help financial institutions enhance their use and sharing of IWT intelligence.

### POLICY

Contributions to policy dialogue on financial crime in IWT through presentations at key events and advice to standard-setting bodies.

### RESEARCH

- Working Paper 30 on preliminary results of social network analysis and field research in Uganda.

### FUNDING

- The growth of the Basel Institute's IWT programme in 2019 was generously supported by grants from PMI Impact, the Elephant Crisis Fund and The Royal Foundation of the Duke and Duchess of Cambridge.

## Looking ahead

- Step up efforts to build the capacity of IWT investigators in Eastern and Southern Africa to "follow the money" to the high-level traffickers and expose their networks.
- Make significant progress in decreasing financial incentives for IWT by making illegally hoarded assets less secure, building on synergies at the Basel Institute and with partners.
- Increase multi-country collaborations on IWT cases.
- Scale up our intelligence capacity and systems to generate additional red flags that are of direct practical use to Taskforce members.
- Contribute our on-the-ground experience to ensure that financial crime is an integral part of the global policy dialogue on IWT and other environmental crimes.



# 150+

Organisations receive IWT Intelligence Bulletins

---

## With intelligence and private-sector collaboration, we can extinguish illegal wildlife trade

Rob Abercrombie, Director of Partnerships and Programmes, The Royal Foundation of The Duke and Duchess of Cambridge during 2019



“ One of The Royal Foundation’s top priorities is to work with industry to disrupt the illegal wildlife trade (IWT). IWT is an organised criminal enterprise, and often involves the same networks as the illegal trade in arms, narcotics and people. Through our United for Wildlife initiative, we have established industry Taskforces which now include more than 150 regional and global companies in the transport and financial sectors. The aim is to prevent wildlife traffickers from moving goods and money using the private sector.

The Basel Institute on Governance is our main partner in this enterprise. They co-ordinate the intelligence-sharing service at the heart of the Taskforces, allowing companies to identify patterns of criminal behaviour and crack down on individual suspicious transactions and shipments.

The Basel Institute’s expertise in working with both industry and law enforcement makes it a natural home for this intelligence work. 2019 was a year in which we saw significant results, with more than 70 law enforcement investigations supported, 108 suspicious shipments tracked or interdicted, and 18 traffickers arrested. Just as important were the changes in industry practices behind the scenes, with “business as usual” beginning to shift.

We are now embarking on a fresh three-year strategy. The result we’re aiming for? Illegal wildlife trade becoming much harder for criminals to conduct, permanently.



---

## Following the money to high-level traffickers in Uganda: how mentoring helps our investigators make faster progress

Vincent Opyene, CEO and Founder, Natural Resource Conservation Network



“ The NRCN is a non-profit organisation dedicated to supporting the Uganda Wildlife Authority and its specialist Wildlife Crime Unit with the investigation, prosecution and reporting of wildlife crime in Uganda.

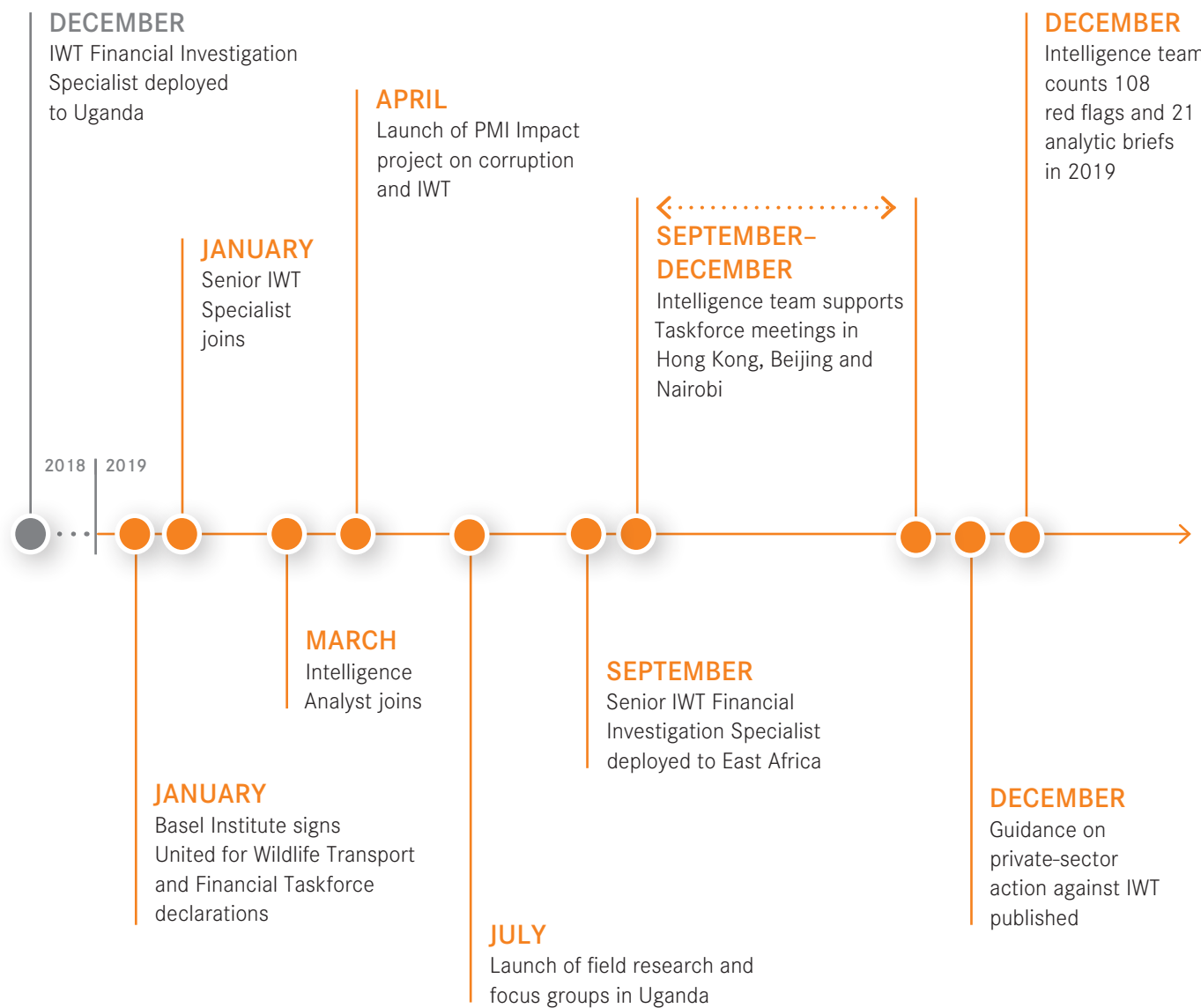
Since January 2019, a Financial Investigation Specialist from the Basel Institute has been mentoring my investigators and prosecutors to investigate the financial aspects of cases of wildlife trafficking and obtain evidence of financial crimes to strengthen the case in court.

In Uganda we hear a lot about the “follow the money” approach to catch the high-level criminals at the centre of the wildlife trafficking networks operating in our country. However, the truth is that it is extremely difficult to find staff with the skills and knowledge to undertake financial investigations, as well as with the network needed to enable us to cooperate with our counterparts in the region and access more frequent and reliable intelligence on wildlife crime.

The Financial Investigation Specialist’s contribution has been invaluable, both in terms of his assistance in the financial aspects of live investigations and the unique way of training staff through hands-on mentoring on real cases. We have found this to be both more effective than intensive theoretical workshops and a more efficient use of my staff’s time.



# How our illegal wildlife trade programme evolved





# Basel AML Index

The 8th edition of the Basel AML Index, released in August 2019, revealed that ineffective anti-money laundering (AML) systems and lack of transparency are leaving the door open to increasingly sophisticated money laundering schemes.

The Basel AML Index, a project of our International Centre for Asset Recovery, is an independent, research-based ranking that assesses countries' risk exposure to money laundering and terrorist financing.

The findings may help to explain why countries generally considered "safe" for investment have been hitting headlines recently with high-profile money laundering scandals.

As more updated country evaluations are conducted by the Financial Action Task Force (FATF), our analysis reveal that when it comes to AML systems, compliance and effectiveness often do not go hand in hand. Some countries tick all the boxes in theory, but score 0% for effectiveness.

Our 2019 results also show that transparency of beneficial ownership continues to be a major problem around the world. This adds unnecessary hurdles to effective enforcement of laws on money laundering and related financial crimes.



## How to use the Basel AML Index

Our annual **Public Edition** provides a snapshot of global money laundering risks and countries' progress in addressing them over time.

The **Expert Edition** allows financial institutions, compliance officers, researchers and policymakers to dig deeper into specific countries' AML risks. The interactive map and ranking are updated quarterly as new data appear. You can filter the data, view current sanctions and download the ranking into Excel.

**Expert Edition Plus** subscribers receive a detailed comparative analysis of FATF Mutual Evaluation Reports.



Find out more and try out a free demo account at: [baselgovernance.org/basel-aml-index](https://baselgovernance.org/basel-aml-index)

"Anti-money laundering prevention systems may be in place, but too often they're not doing what they're supposed to do."



**Gretta Fenner**  
Managing Director

# Basel Open Intelligence

2019 saw the launch of Basel Open Intelligence, an open-source research tool designed to meet the needs of investigators and practitioners in compliance and due diligence.

A project of the International Centre for Asset Recovery, Basel Open Intelligence is designed to speed up investigations and intelligence-gathering on suspect individuals and organisations. Our IT team developed it during 2019 after listening to investigators describing the challenges of conducting open-source research. BOI helps them save valuable time and get straight to the relevant information, even in languages they don't speak.

As ever, the emphasis is on flexibility. In late 2019 we refined the list of keywords relating to wildlife trafficking in order to

better support partner investigation agencies in our illegal wildlife trade programme. We have also enabled user organisations to upload their own specific keywords lists and configure custom reports after analysing the results.

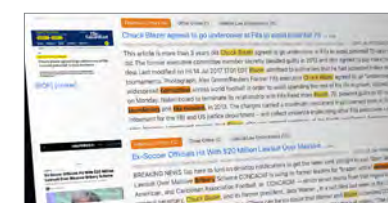
Although originally designed for investigations, BOI is already seeing great interest from compliance officers, accountants and others who need to conduct due diligence and risk assessments. The one-click search function appeals to those who want thorough open-source research and risk profiles without the extra work.



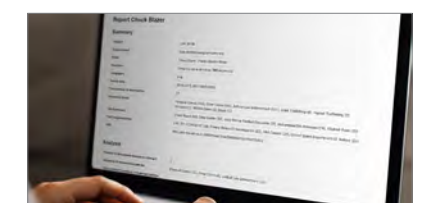
## What can BOI do for me?



Search automatically for individuals or companies in combination with **200+ keywords** related to financial or other crimes, in up to **five languages** simultaneously.



Quickly **analyse** the results thanks to advanced filters, linked databases and automatic text extraction based on natural language technology.



Download a **summary report** plus PDF versions of your selected sources.



Flexible search packages are available, with free or discounted options for public and non-profit organisations. Try it out at: [baselgovernance.org/boi](https://baselgovernance.org/boi)

# eLearning courses

430 individuals around the world completed one or more of our eLearning courses in 2019, a rise of 87% from the year before. These practical and freely available online courses help anti-corruption practitioners to acquire complex skills in asset tracing, intelligence gathering and financial analysis

As the use of technology grows in our partner institutions around the world, we have seen increasing demand for flexible online courses to complement our ICAR and expert-led training programmes.

Many of our institutions have limited resources for training, and cannot spare large numbers of staff for a week-long course. eLearning courses can be taken at any time, in any place with an internet connection. The short, bite-size sessions mean that staff can mix their daily work with continuous capacity-building. Studies indicate this is a really effective way to learn.

We have deliberately made the courses interactive, so trainees have to carry out real tasks themselves and not just click through a presentation. We are upgrading to new technologies to improve the user-friendliness of the courses – look out for relaunched versions in 2020.

Another innovation is our blended learning concept. Practitioners can learn baseline skills at their own pace through the eLearning platform. These can be reinforced through mentoring on organisation- or country-specific aspects by our ICAR field experts, or with an intensive onsite workshop. We conducted an Advanced Operational Analysis course based on this concept in Ecuador, with promising results.

We originally designed our eLearning courses – some in collaboration with the Egmont Group of Financial Intelligence Units – with the public sector in mind. But we were pleased to see increasing use of the courses in 2019 by individuals and the private sector, including lawyers, bank staff, tax advisors and AML consultants around the world. Combating financial crime is a collective global effort, after all.

In 2020, look out for a new eLearning module on Terrorist Financing that we have developed in cooperation with the Egmont Group, plus more translations of our existing courses in response to demand.



## eLearning Courses

- Operational analysis
- Financial analysis using Excel
- Source and application
- Visualise cases and flows of money



Find out more at:  
[baselgovernance.org/elearning-courses](https://baselgovernance.org/elearning-courses)

# B20 Collective Action Hub

Policymakers and practitioners searching for information on anti-corruption Collective Action will quickly come across the B20 Collective Action Hub. This rich collection of information, initiatives and practical tools is designed to help businesses, the public sector and civil society jointly tackle the corruption challenges they face through targeted and effective Collective Action.

With support from the Siemens Integrity Initiative, we have developed and maintained this unique online resource since the B20 group of business leaders gave us this mandate in 2013.

Over the last year, we have grown the B20 Collective Action Hub to include – at the time of writing this report – over 170 publications and 200 initiatives around the world. Many of

these initiatives are currently active, while others are complete and offer valuable learning opportunities.

We also streamlined the content and transferred the Hub to a more user-friendly platform on the Basel Institute's website, where we hope it will inspire people and organisations from across the spectrum to engage in multi-stakeholder initiatives.



## What can I find on the B20 Collective Action Hub?

- A searchable database of **200+ Collective Action Initiatives** around the world
- Comprehensive resources on High Level Reporting Mechanisms, Integrity Pacts and other powerful integrity tools
- **170+ selected research publications** with the latest thinking on anti-corruption Collective Action
- Opportunities for peer learning and participating in events such as our 4th Collective Action Conference in 2021



Find out more at:  
[baselgovernance.org/b20-collective-action-hub](https://baselgovernance.org/b20-collective-action-hub)  
and stay up to date via: [@FightBribery](https://twitter.com/FightBribery) and  
[International Centre for Collective Action](https://www.icsa-international.org/)



# Publications

## Working papers

Paesano, Federico. 2019. **Regulating cryptocurrencies: challenges and considerations.** (Working Paper 28) Basel Institute on Governance.

Pfister, Mike. 2019. **Recovering assets in support of the SDGs: from soft to hard assets for development.** (Working Paper 29) Basel Institute on Governance.

Kassa, Saba, Jacopo Costa and Claudia Baez Camargo. 2019. **Corruption and wildlife trafficking: exploring drivers, facilitators and networks behind illegal wildlife trade in East Africa.** (Working Paper 30) Basel Institute on Governance.

Mbiyavanga, Stefan. 2019. **Applying the Swiss Anti-Money Laundering Act to gold refineries.** (Working Paper 31) Basel Institute on Governance. Also available in German: **Die Unterstellung von Goldraffinerien unter das Geldwäschereigesetz.**

Wannenwetsch, Scarlet and Gemma Aiolfi. **Private-sector engagement in the fight against illegal wildlife trade.** (Working Paper 32) Basel Institute on Governance.

## Journal articles and book chapters

Baez Camargo, Claudia, Abel Dufitumukiza, Egidius Kamanyi, Saba Kassa, Robert Lugolobi and Cosimo Stahl. 2019. **“Social Norms and Attitudes Towards Corruption: Comparative Insights from East Africa.”** In Ellis, Jane (ed.) **Corruption, Social Sciences and the Law – Exploration across the disciplines.** Routledge.

Mbiyavanga, Stefan. 2019. **“Cryptolaundering: anti-money laundering regulation of virtual currency exchanges.”** *Journal of Anti-Corruption Law* 3 (2): 1–15.

*Working Paper series: ISSN 2624-9650*  
*Policy Brief series: ISSN 2624-9669*

## Guidelines and protocols

Garrido Primo, L. and Juan Carlos Guevara. **Protocolo de Seguimiento de la Ejecución Presupuestal Anual.** Basel Institute on Governance (Peru).

## Quick guides

- **Cryptocurrencies and money laundering** Federico Paesano
- **Intelligence** Manuel Medina
- **Integrity and anti-corruption compliance for SMEs** Gemma Aiolfi
- **Social network analysis in combating organised crime and trafficking** Jacopo Costa
- **Illicit enrichment** Andrew Dornbierer
- **Social norms and corruption** Claudia Baez Camargo
- **Effective training on financial investigations** Phyllis Atkinson
- **The role of FIUs in asset recovery** Thierry Ravalomanda
- **eLearning for asset tracing and financial analysis** Peter Huppertz
- **International cooperation in asset recovery** Shane Nainappan
- **Drivers and facilitators of wildlife trafficking** Saba Kassa
- **The role of business in tackling illegal wildlife trade** Scarlet Wannenwetsch
- **Financial crime in illegal wildlife trade** Gretta Fenner
- **Fundamental skills in tracing assets** Phillip Jones



Photo: UN Department of Global Communications

All publications are freely available at [baselgovernance.org/publications](https://baselgovernance.org/publications)

Quick guides and other thought pieces are available at [baselgovernance.org/blog](https://baselgovernance.org/blog)



# People

In order to successfully carry out our mission and to support our partners worldwide, we rely greatly on the expertise, dedication and creativity of our staff. We welcomed 18 new staff members to our headquarters and field offices in 2019, bringing the total to 84.

## Management group

**Gretta Fenner**  
Managing Director



**Andrea Poelling**  
Head of Operations



**Gemma Aiolfi**  
Head of Compliance and Collective Action



**Phyllis Atkinson**  
Head of Training ICAR



**Claudia Baez-Camargo**  
Head of Governance Research



**Iker Lekuona**  
Head of Programmes ICAR



## Team

**Mirna Adjami** Project Manager Anti-Corruption Collective Action  
**Iman Alwan** Administration Specialist  
**Kateryna Boguslavska** Project Manager Basel AML Index  
**Sarah Chapman** HR Specialist  
**Jacopo Costa** Senior Research Fellow  
**Andrew Dornbierer** Asset Recovery Specialist  
**José Xavier Girau** eLearning Supporter  
**N'Deye Mour Gueye** Financial Administrator  
**Monica Guy** Communications & Project Officer  
**Peter Huppertz** Team Leader IT & eLearning  
**Saba Kassa** Public Governance Specialist  
**Joseph Kennedy** Visual Designer  
**Manuel Medina** Intelligence Analyst IWT  
**Bruno Michel** Finance Officer  
**Amanda Oita** Senior Administration Specialist  
**Federico Paesano** Senior Financial Investigation Specialist  
**Teresa Paonessa** HR Specialist  
**Stephen Ratcliffe** Senior Investigation Specialist  
**Thierry Ravalomanda** Senior Asset Recovery Specialist

**Jonathan Spicer** Senior Asset Recovery Specialist  
**Cosimo Stahl** Public Governance Specialist  
**Hoa Truong** IT & eLearning Developer  
**Scarlet Wannewetsch** Project Associate  
Anti-Corruption Collective Action  
**Peter Wilson** ICAR Programme Officer  
**Joel Zuppinger** ICT Supporter

## Foundation board

**Prof Dr Mark Pieth** President  
**Prof Dr Anne Peters** Vice President  
**Dr Marco Balmelli**  
**Dr Thomas Christ**  
**Prof Dr Till Förster**  
**Prof Dr Lukas Handschin**  
**Domenico Scala**  
**Christoph Tschumi**

## Field staff – Africa

**Virgil Ballakistan** Investigation Specialist  
**Margarida Bandeira de Lima** Senior Asset Recovery Specialist  
**José Luis Braguês** Team Leader Mozambique / Senior Anti-Corruption Specialist  
**Phillip Jones** Senior Investigation Specialist  
**Simon Marsh** Senior Investigation Specialist  
**Carla Monteiro** Financial Investigation Specialist  
**Shane Nainappan** Senior Asset Recovery Specialist  
**Misozi Samuti** Programme Manager Malawi  
**David Sip** Team Leader Malawi / Senior Anti-Corruption Specialist  
**Nicholas Staite** Senior Asset Recovery Specialist  
**Hannes van Vuren** Senior Investigation Specialist  
**David Ward** Senior Investigation Specialist IWT  
**JP Willemse** Senior Investigation Specialist  
**Tim Wittig** Senior IWT Specialist

## Field staff – Latin America

**Oscar Solorzano** Head of Latin America / Senior Asset Recovery Specialist  
**Carlos Vargas** Director, PFM Programme  
**Cintia Altamirano** Consultant  
**Oscar Capuñay** Consultant  
**Xiomara Carbajal** Embedded PFM Specialist  
**Limberg Chero** Project Component Leader  
**Diana Cordero** Asset Recovery Specialist  
**Julia Cori** Project Component Leader  
**Karla Coronado** Consultant  
**Romina Cruz** Communications Officer  
**María del Pilar Davila** Consultant  
**Dalila Diaz** Embedded PFM Specialist  
**Milagrito Diaz** Embedded PFM Specialist  
**Veronica Ferreyra** Penal Specialist  
**Luz Maria Garrido** Coordinator  
**Juan Carlos Guevara** Coordinator  
**Rosario Huaman** Embedded PFM Specialist  
**Erika Lorenzo** Consultant

**Sergio Jiménez Niño** Asset Recovery / Criminal Law Specialist  
**Diego Luna** Consultant M&E  
**Luis Maldonado** Consultant  
**Lucy Malarin** Administrative Assistant  
**Javier Mazzotti** Logistics Officer  
**Stefan Mbiyavanga** Legal Specialist for Latin America  
**Manuel Monasí** Consultant  
**Mirtha Muñoz** Project Component Leader  
**Marleni Quispe** Embedded PFM Specialist  
**Jorge Rivadeneyra** Consultant  
**Silvia Rodriguez** Embedded PFM Specialist  
**Jorge Rojas** Embedded PFM Specialist  
**Maritza Rojas** Embedded PFM Specialist  
**Ledy Segura** Researcher for Latin America  
**Lady Seminario** Coordinator  
**María Tamay** Embedded PFM Specialist  
**Alicia Tambo** Office Services  
**Tirza Yañez** Consultant  
**Americo Yucra** Embedded PFM Specialist  
**Magaly Zumaeta** Consultant

## Departed and temporary staff

**Nana Adrian** Public Governance Intern  
**Kyle Forness** Collective Action Intern  
**Mike Pfister** Head of Programmes ICAR  
**Matthias Maurer Rueda** Public Governance Intern  
**Nina Schild** Events & Publications Coordinator  
**Khulud Tamer** Public Governance Intern  
**Daniel Wegner** Programme Coordinator Malawi  
**Matthias Wilde** Administration & Project Support  
**Helena Wood** Financial Institutions Liaison Officer

## Senior advisors

**Hans-Peter Bauer** Senior Advisor Financial Crime  
**Tom Lasich** Senior Asset Recovery Advisor  
**Rudolf Wyss** Senior Asset Recovery Advisor



# Funding and partnerships

In 2019, the annual budget (total operating income) of the Basel Institute on Governance increased by 13 percent to CHF 10.8 million (EUR 10.3 million / USD 11.3 million). Approximately 25 percent of this is core financing (contributions), with the remainder made up of project- and country-programme specific funding (project income, reimbursed expenses, overhead recovery).

We are grateful to the Government of Jersey, Principality of Liechtenstein, Norwegian Agency for Development Cooperation (Norad), Swiss Agency for Development and Cooperation (SDC) and UK Department for International Development (DFID) for providing continued core funding for our International Centre for Asset Recovery (ICAR).

We also thank the country offices of the SDC in Tanzania, Mozambique and Ukraine and the country offices of DFID in Kenya and Malawi for supporting our multi-year programmes in these long-standing ICAR partner countries.

Development and corporate partners around the world fund specific projects, including technical assistance and applied research. In 2019, among others, we were happy to receive substantial multi-year extensions to our Public Finance Management programme in Peru, funded by the Swiss State Secretariat for Economic Affairs since 2015, and to our anti-corruption Collective Action work, supported by the Siemens Integrity Initiative since 2010.

Our IWT programme is generously funded through multi-year grants by PMI Impact, the Elephant Crisis Fund and The Royal Foundation of the Duke and Duchess of Cambridge.

As a non-profit organisation, any surplus funds from advisory services and projects are used to support our research and technical assistance initiatives in partner countries and with partner institutions.

While adequate and realistic financing is of course essential to the success of our programmes, so too is the keen and dependable dedication and steady encouragement of our donors and partners around the world. We would like to express our sincere appreciation to all public, private and third-sector institutions who continue to believe in us and support us.

Without their willing commitment and enthusiasm to our joint efforts we would not be able to pursue our mission: to eradicate corruption and promote good governance globally.



# Financial statement

## Balance sheet

ASSETS (IN CHF)	31 DEC 2019	31 DEC 2018
Liquid assets	3,229,496.25	2,698,166.96
Trade-receivables	1,234,961.21	926,928.38
Other receivables	133,628.16	437,472.61
Accrued income and prepaid expenses	485,816.32	1,334,544.86
<b>Total current assets</b>	<b>5,083,901.94</b>	<b>5,397,122.81</b>
Office furniture and IT equipment	14,083.19	17,206.03
Financial assets	44,681.55	44,670.50
<b>Total fixed assets</b>	<b>58,764.74</b>	<b>61,876.53</b>
<b>TOTAL ASSETS</b>	<b>5,142,666.68</b>	<b>5,458,999.34</b>
<b>LIABILITIES (IN CHF)</b>	<b>31 DEC 2019</b>	<b>31 DEC 2018</b>
Trade-payables	176,146.14	75,366.43
Advance payments	1,737,429.73	2,414,758.14
Other payables	151,365.53	136,866.90
Accrued liabilities and deferred expenses	637,422.89	637,422.89
<b>Total current liabilities</b>	<b>2,377,969.41</b>	<b>3,264,414.36</b>
Restricted funds (ICAR)	1,920,728.63	1,418,274.92
Total restricted funds	1,920,728.63	1,418,274.92
<b>Total liabilities</b>	<b>4,682,689.28</b>	<b>3,618,421.67</b>
Paid-in capital	20,000.00	20,000.00
Unrestricted capital (GOV)	706,310.06	649,803.06
Annual result	117,658.58	106,507.00
<b>Total capital of the organisation</b>	<b>843,968.64</b>	<b>776,310.06</b>
<b>TOTAL LIABILITIES</b>	<b>5,142,666.68</b>	<b>5,458,999.34</b>

## Statement of operations

INCOME AND EXPENDITURE (IN CHF)	2019	2018
Contributions	2,700,197.11	2,705,938.19
Overhead recovery	416,857.93	297,776.02
Project income (fees)	5,472,137.57	4,323,753.36
Reimbursed expenses	2,228,834.30	2,259,437.50
<b>Total operating income</b>	<b>10,818,026.91</b>	<b>9,586,905.07</b>
Project expenditure	-9,195,391.86	-8,090,808.41
Administrative expenditure	1,056,904.39	-886,083.55
<b>Total operating expenditure</b>	<b>-10,252,296.25</b>	<b>-8,976,891.95</b>
<b>OPERATING SURPLUS (- DEFICIT)</b>	<b>565,730.66</b>	<b>610,013.11</b>
Net financial income	4,381.63	-29,036.82
Net extraordinary income		
Change of restricted funds	-502,453.71	-524,469.29
Change of unrestricted funds	50,000.00	50,000.00
<b>ANNUAL RESULT</b>	<b>117,658.58</b>	<b>106,507.00</b>

The aforementioned balance sheet and statement of operations form part of the Basel Institute's Financial Statement 2019, which was audited by BDO AG, in accordance with Swiss GAAP ARR, Swiss law and the Charter of the Foundation and its regulations.



# Stay in touch



## Headquarters

Steinenring 60  
4051 Basel  
Switzerland

+41 61 205 55 11  
[info@baselgovernance.org](mailto:info@baselgovernance.org)  
[www.baselgovernance.org](http://www.baselgovernance.org)  
🐦 @BaselInstitute  
🌐 Basel Institute on Governance

## International Centre for Asset Recovery

🐦 @StolenAssets

## Latin America office

Av. José Gálvez Barrenechea 511  
San Isidro  
Lima 15036  
Peru

+51 977 187 775  
[www.gfpsubnacional.pe](http://www.gfpsubnacional.pe)  
🐦 @Programa\_GFP  
🌐 facebook.com/GFPsubnacional

## International Centre for Collective Action

🐦 @FightBribery  
🌐 International Centre for Collective Action

With thanks to our key donors and funders in 2019

