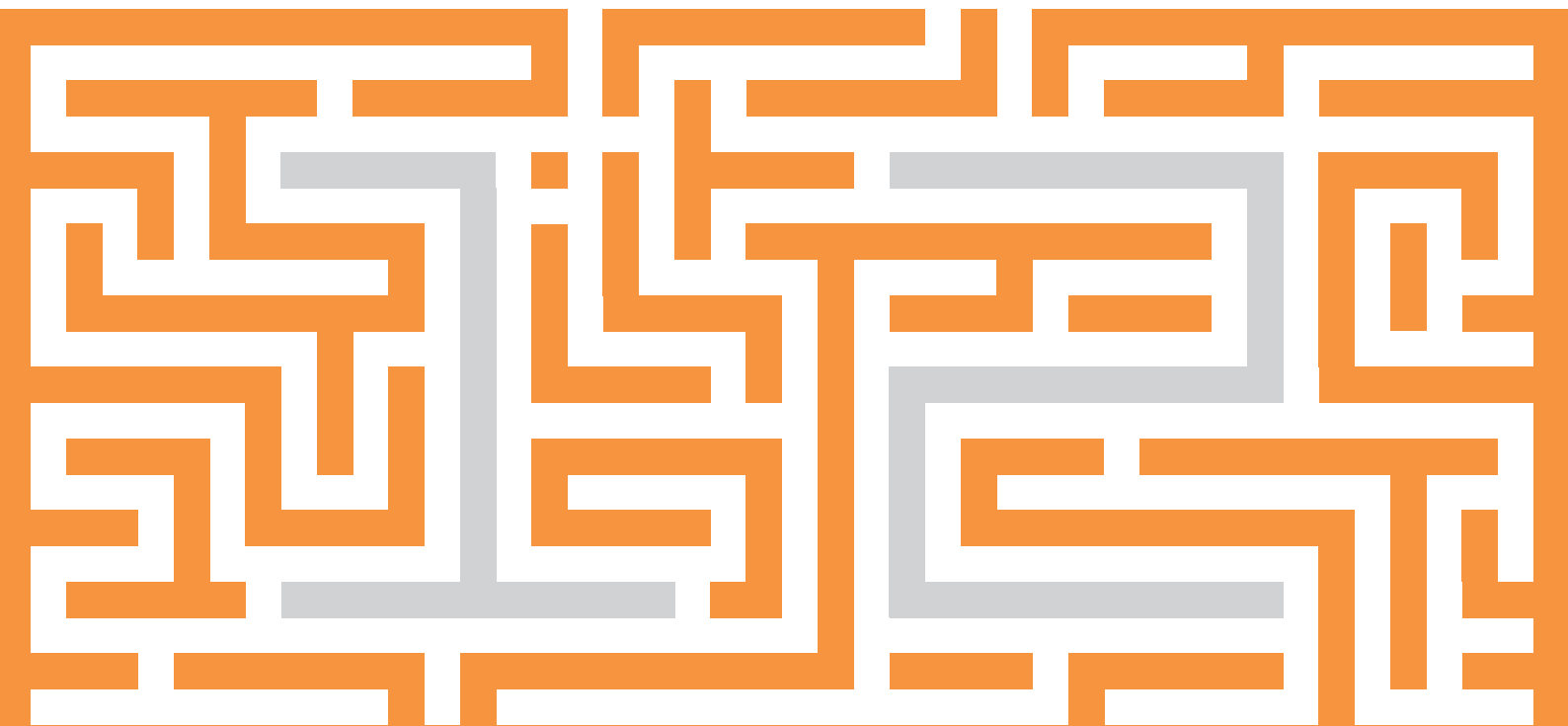
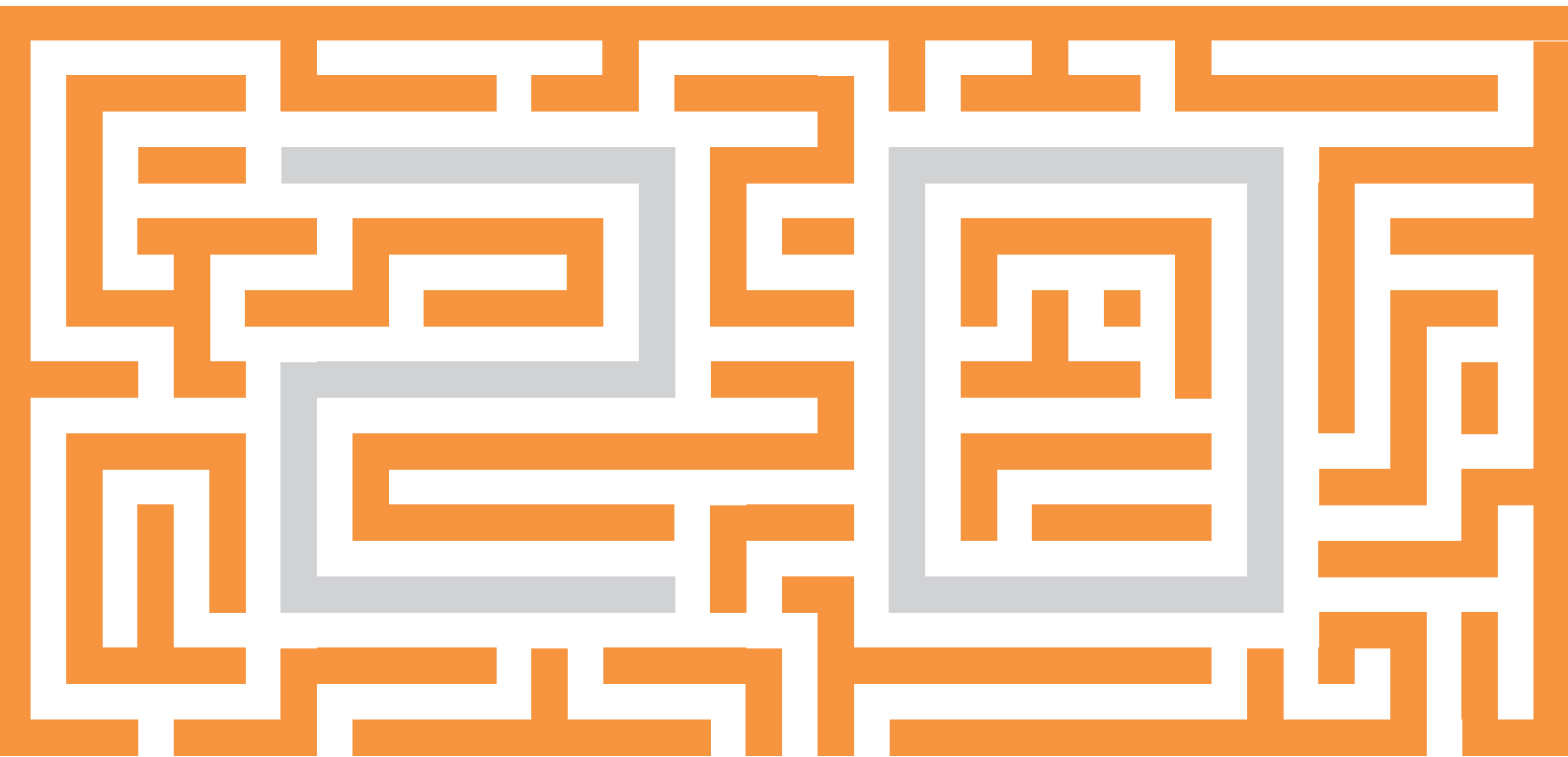


# Annual Report 2012





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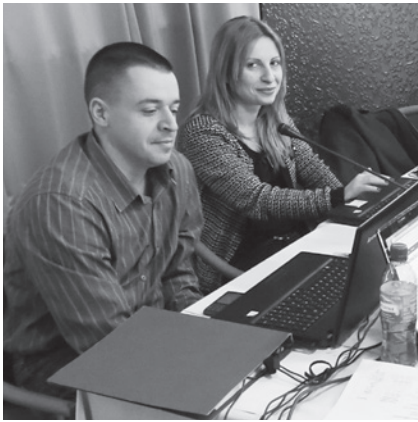
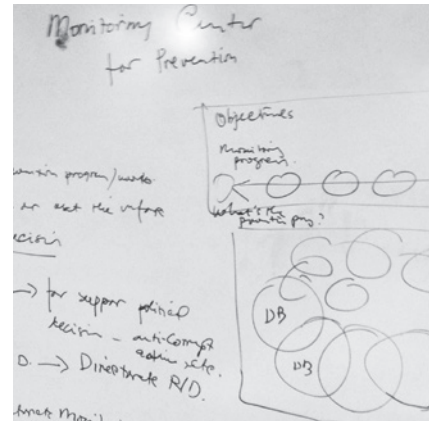
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# Foreword

As we conclude the Basel Institute's 10th year of operations, we may ask ourselves what we have achieved so far. Governance is a word that is now more widely used and has gained importance in the public and in the private sector. Whether it is also better understood can be debated. Attempts to define governance have been numerous. Through our research as much as in our practice, we aim to contribute to this debate.

Mostly though, we are concerned not just with governance but with good governance. Traditionally, the Basel Institute has engaged in activities aimed at preventing and combating corruption as a means to contributing to good governance. These activities go hand in hand and are often synonymous with efforts to enhance transparency, strengthen formal and informal accountability structures, and foster integrity.

Are we winning the battle? Cynics would say no, as ever more cases of corruption and bribery are reported on and any policy paper produced these days will worry about governance gaps in whatever theme it addresses. I am glad to say that I have a different view. The increasing number of cases means that we are making progress on the detection, investigation and prosecution front. We are proud to be making a highly tangible contribution to this through the work of the International Centre for Asset Recovery (ICAR). The stacks of policy papers on governance issues mean that

we can no longer hide these problems and are learning to address them. To support governments and corporations in this endeavor, we continue to analyse causes and effects of underlying governance deficits, and propose innovative strategies to prevent corruption in the public and private sectors.

What's maybe the most striking development, especially in this past year, is that we are making progress in breaking down the barriers between concerned stakeholders. The International Centre for Collective Action (ICCA) founded by the Basel Institute in 2012 has quickly made its name as a leading institution in this field, and we are excited about the prospect of contributing to this new dynamic in the global fight against corruption.

These achievements would not be possible without our dedicated team, our partners, and our Board. I would like to express my sincere thanks to all of you who have been involved in the Basel Institute's efforts over the past year and look forward to another productive year in 2013.

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**PROF MARK PIETH**  
PRESIDENT OF THE  
BASEL INSTITUTE ON GOVERNANCE

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# 2012 at a glance

In 2012, the Basel Institute worked in more than 20 countries supporting public and private partners in preventing and combating corruption and strengthening governance institutions.

In particular in the area of asset recovery, our work was marked by the developments in the Arab Spring countries, where demand for support was high to tackle the Arab Spring countries' lingering effects of corruption practiced by their former regimes. This assistance included activities such as capacity building programmes, case consultancy and assistance in identifying and remedying institutional, regulatory and legal framework gaps.

The Basel Institute has welcomed this opportunity to collaborating with countries of the Middle East and North Africa (MENA) region where it had already been actively engaged in 2011. We strongly believe that such longer-term engagement and partnership arrangements with countries are essential for establishing the necessary operational grounds for implementing sustainable solutions against corruption. In line with this, the Institute therefore also continued its engagement with partner countries in Africa, Asia and Eastern Europe, including, for example, Bhutan, Indonesia, Kenya, Moldova, Romania or the Ukraine. In addition, the Institute also responded to a number of requests for assistance from new partner countries, including, for example, Egypt, Ghana and Turkmenistan.

Another notable development in 2012 was the start of our participation in a European Union (EU) funded long-term multi-centre research programme, ANTICORRP. In this context, we are notably able to further advance our research on social accountability mechanisms in the context of corruption risks and good governance. 2012 also saw the establishment by the Institute of a new competence centre on collective action, the ICCA. In the area of corporate governance, a key function of the Institute in 2012 continued to be its role as the Secretariat of the Independent Governance Committee which, under the leadership of the Institute's President Professor Mark Pieth, is supervising the reform of the Fédération Internationale de Football Association (FIFA) since late 2011.

All in all, in 2012 the Institute succeeded in expanding existing projects and activities as well as attracting new partnerships at country-level as well as international programmes. While the level of corruption continues to be of worrying scale in many countries around the world, we are confident that through our work we have been able to make a meaningful contribution to enhancing our partners' capacities to continue fighting this phenomenon. We believe we are having a tangible impact, together with all our partners and the international anti-corruption community, on efforts to overcome corruption and, thereby, to contribute to the quality of governance and ultimately the alleviation of poverty. These results confirm the Institute's strategy to adopt a multi-disciplinary and multi-pronged approach in pursuing the Institute's mandate to counter corruption and promote good governance in the public sector and in the business community, nationally and internationally.

# Outlook 2013

The Institute's experience in 2012 has again shown that corruption continues to be a global phenomenon where developed and developing countries are both deeply implicated. Hence, working with both sets of countries remains essential to the Institute's efforts in identifying and implementing projects and services for supporting the global fight against corruption.

Furthermore, experiences in 2012 again made it clear that the phenomenon of corruption is not restricted to either the public or the private sector. Both sectors are charged, and any global solutions for eliminating, or at least minimizing the effects of corruption will only be possible with the buy in of both sectors. We therefore firmly agree with the Office for Security and Cooperation in Europe's (OSCE) observation as noted in its Declaration on Strengthening Good Governance and Combating Corruption, Money-Laundering and the Financing of Terrorism at the Ministerial Council in Dublin (2012) that

***'Good governance at all levels is fundamental to economic growth, political stability, and security. Good public and corporate governance, rule of law and strong institutions are essential foundations for a sound economy, which can enable our States to reduce poverty and inequality, to increase social integration and opportunities for all, to attract investment and to protect the environment. [...] Transparency in public affairs is an essential condition for the accountability of States and for the active participation of civil society and the private sector in economic and development processes.'***

On the basis of this ongoing conviction and notion, the Basel Institute remains committed to working with partners from both the developed and developing countries, as well as with partners from both the private sector and public sector, and it will continue to do so in the future.

# Working with the public sector

## **Prevent corruption from happening— punish it when it occurs**

The Institute firmly believes that a combination of prevention and enforcement measures is required to effectively combat corruption. Similarly, we are convinced that our assistance in these areas can only be effective if we continue to underpin our practical work with solid research into underlying governance failures and how this impacts on institutions' capacities to combat corruption.

As a consequence, we continue to implement a comprehensive strategy that combines technical assistance in corruption prevention and anti-corruption enforcement with applied research projects on public and global governance mechanisms.

In the public sector, this strategy is implemented through the work of ICAR on the one hand, and the Public Governance Division on the other hand.



# International Centre for Asset Recovery

Guided by its Business Plan 2011–2013, ICAR in 2012 continued to provide technical assistance to developing partner countries in the form of asset recovery training programmes, legal and case consultancy and the development of supporting IT tools. It also continued to actively participate in the international policy discourse on asset recovery, through publications and contributions to dedicated expert forums such as those held in the context of the UN Convention against Corruption (UNCAC) or others hosted by the OSCE, the EU or the Academy of European Law.

ICAR continues to receive important core funding from the Principality of Liechtenstein, the Swiss Agency for Development Cooperation (SDC) and the UK Department for International Development (UK DFID).

## Capacity building through training

ICAR's signature training programme on financial investigation and asset recovery remains a unique service of the Institute and is highly recognised among the various stakeholders in the anti-corruption and asset recovery community. These training programmes, which are offered at basic and advanced levels, are tailor-made to the exact needs of the country requesting our assistance and its legal and institutional framework. Thus, a training programme for one country never looks the same as for another country. We deliver our trainings through a highly interactive and participant-based methodology, using a practical case simulation as the basis for the learning journey, and adding formal lectures as required. The training modules take participants through every step of investigating a complex cross-border corruption case, help them trace monies, understanding the use of money laundering provisions to prosecute corruption cases, and culminate in the drafting of Mutual Legal Assistance (MLA) requests and ultimately the confiscation and recovery of the assets that were stolen.

In 2012, we have delivered four such trainings at country level, notably in Cameroon, Moldova and Kenya (2x), and one regional training for countries from Eastern Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). In total, our ICAR experts trained 155 officials from Financial Intelligence Units (FIUs), investigative bodies, prosecutorial authorities and members of the judiciary. We also laid the groundwork for two larger ICAR training programmes planned for 2013 in Romania and Egypt. Furthermore, we seconded our ICAR experts to training programmes and workshops organized by partner organisations, such as the 2nd Interpol Global Programme on Anti-Corruption and Asset Recovery, organized by Interpol in Nairobi, Kenya, in December 2012.

As a by-product of these trainings, ICAR in 2012 produced two training manuals, for the Ukraine and for the aforementioned countries from Eastern Europe, respectively. The purpose of these manuals is to support institutions in these countries to implement their own trainings and to further strengthen the sustainability of trainings delivered by ICAR in its partner countries, as it enables the partner countries' authorities to train additional officials through our tested methodology. Ideally the production of training manuals goes hand-in-hand with the delivery, by ICAR, of a train-the-trainer programme to ensure that the training methodology is well understood and translated into the national context.

## Capacity building through case consultancy and policy advice

In 2012, ICAR experts dedicated more time than ever on advising countries in the investigation and prosecution of concrete international corruption and money laundering cases, with a view to facilitating the recovery and return of these stolen assets. This work in 2012 focused on three countries from North Africa, Central Asia and South East Asia, respectively. This experience taught us yet again that such case assistance and guidance is critical to affected countries when they have limited technical abilities to technically and



strategically manage their own cases. The process of recovering stolen assets remains an extremely complex endeavor. It is never just limited to freezing and returning assets. It involves a series of components which, when carried out effectively, may ultimately lead to the freezing and return of assets. A key such component, and in our experience still one of the major hurdles when seeking to recover assets,

is that of mutual legal assistance between the requesting and the requested country. Our experts therefore primarily assisted the aforementioned three countries with drafting MLA requests addressed to a number of European jurisdictions, and with facilitating cooperation through formal and informal channels with requested states. Furthermore, our experts provided guidance with the management of these countries' cases and devising investigation and prosecution strategies.

In terms of policy advice, ICAR supported partner countries in the development, review and enhancement of asset recovery and related anti-corruption legislation and the reform of related institutions. For example, our experts produced two comprehensive studies, on the one hand on the need for new EU legislation allowing assets confiscated from criminal organisations to be used for civil society and in particular for social purposes, and on the other hand on the anti-corruption architecture of the Republic of South Africa. Such projects involve substantial analytical work, legal research and the development of legal recommendations.

## Using IT to recover stolen assets

ICAR also houses a team of IT specialists who develop and implement specialized IT tools and products for facilitating the management and implementation of asset recovery processes. This is a unique structural and organisational feature of our Institute. It allows us to create and deliver services and programmes with additional elements of sophistication through the integration of specialised IT components. This may include such products as, for example, software designed to facilitate investigations using publicly available information, or tools that allow to document and illustrate complex cases and flows of money, as well as e-learning products focusing on aspects of financial investigation and asset recovery. Such IT products are either offered as stand-alone products or incorporated into or combined with the delivery of our standard services, including our training programmes.

In 2012, our IT Team continued to dedicate much time to the development and dissemination of the Asset Recovery Intelligence System (ARIS). This unique software was deployed in eight additional FIUs, and test accounts were installed at nine additional organisations from the public and private sectors. In addition, tests are ongoing regarding the integration of ARIS in the software platform of FIU.NET, a Europol body fostering information exchange between the 27 FIUs. Initial promising inroads were also made with some private sector institutions (financial and non-financial) with a view to determining the potential usefulness of ARIS for such commercially operating institutions. We will continue to pursue this potential area of expansion in 2013.

At this stage, the tool is designed to assist its users to screen persons and companies by using semantic technologies for conducting searches on the public Internet and commercial news databases for traces of corruption linked to suspicious entities. Our experience of the past has shown that FIU analysts for example have been rather reluctant to consider the use of open source intelligence in their investigation processes. However, with the growing amount of information publicly available on the Internet, and due to such specialized and user-friendly tools like ARIS, there has been an evolving recognition by these analysts of the advantages of open source intelligence and such tools. This change in outlook has served ARIS well.

In 2012, we also launched the Basel AML Index. This is the first publicly available Anti-Money Laundering/Combating Terrorism Financing (AML/CTF) country risk ranking developed by an independent academic institution. Its launch received substantial international news coverage, which applauds the Index for its usefulness to the AML community. The Index serves to assist financial institutions and other stakeholders in analyzing country risks regarding money laundering and terrorism financing. Much like ARIS, this tool uses open source intelligence, aggregating relevant third party data, and looking at countries' AML/CTF laws, financial regulations, political disclosure and other related factors such as corruption and political risk. In addition to the publicly available edition of the Index, which offers a

ranking of countries according to their AML risk, the Institute also offers a subscription-based Expert Edition, which is a customizable and more comprehensive risk assessment online tool. By the end of 2012, some 20 large financial institutions and other organisations both public and private had subscribed to the Expert Edition. While the publicly available edition is updated on annual basis, the expert edition is updated on a rolling basis.

Finally we also decided to redirect some of our current IT resources and expertise into the development and management of an online platform offering free-of-charge e-training modules for asset recovery practitioners and policy makers. By the end of 2012, the Asset Recovery Campus already featured four long-distance modules, including on Financial investigation Using Excel, Visualising Cases and Flows of Money; Internet Research Using ARIS; Internet Research Using Google & Co. We expect some 4–6 additional courses to be added to the platform in the course of 2013.

# Division for Public Governance

2012 started off tragically with the passing away, in early January, of Dr Jan Richter, the Director for Public Governance. This was a tremendous shock to the team and to many of our partners. Since joining the Institute two years earlier, Dr Richter had made substantial headway on a number of fronts for this Division and was a tremendous member of our team. Most importantly, he acquired new mandates and partnerships for the Institute, in particular one larger programme of work with the World Bank. He also invested much of his time and expertise in developing a new operational strategy for the Division. With his unexpected decease, the Institute lost a very committed and professional individual whose expertise, knowledge and professional network had been extremely valuable to the Institute. In light of these unexpected circumstances in early 2012, the Institute was forced to re-consider its strategy in this area of work with much caution and consideration, including in the larger context of the Institute's overall financial and operational resources. In the end it was decided not to replace Dr Richter for now and to operate, at least temporarily, with a lighter personnel structure. Despite this decision, the Institute implemented a strong programme of work in 2012, both in terms of technical assistance to support corruption prevention and in terms of strengthening our research capacities to underpin governance reform.

## Preventing corruption through technical assistance

In the first half of 2012, the team initially focused on completing the on-going programme of work for the World Bank that had started in late 2010, focusing on studies of the justice sector in Morocco and Tunisia. In addition, the team carried out a series of short-term assignments for partner organisations, including Global Integrity, the OSCE and the U4 Anti-Corruption Resource Centre. For Global Integrity we peer-reviewed the Global Integrity Report's country assessments for Algeria and Jordan in relation to governance and transparency issues which these two countries have in common with the MENA region. For the OSCE, our experts

drafted a comparative study of corruption prevention policies and practice in OSCE member states and contributed three chapters to the new Handbook on Anti-Corruption of the OSCE's Office of Economic and Environmental Activities. Finally, our public governance team acted as experts on a number of U4 Online Courses that focus on various subject matters relating to the UNCAC, and which are offered in both English and French.

A key operational highlight of the Division occurred towards the end of the year when the Institute received a substantial programme grant from the German Gesellschaft für Internationale Zusammenarbeit (GIZ) to provide capacity building assistance to Indonesia's Corruption Eradication Commission (KPK) in support of their corruption prevention work. The focus of this project is on strengthening the KPK's capacity to monitor prevention activities on the one hand, and, on the other hand, on developing and implementing a multimedia approach to reach out to communities with corruption and advocacy and education measures. We officially launched the project with GIZ and our Indonesian counterparts in November 2012 and will continue this work through July 2013.

With our intent to advocate and advance accountability and responsiveness in the public sector, our goal in this particular operational field of the Institute is to continue offering and providing technical assistance for legal and organizational reform to develop, enhance and implement public sector services and policies for preventing corruption and ensuring good governance. Our operational strengths lie in assisting affected countries in assessing their structural and legislative gaps, benchmark these against international standards, and recommend remedies and facilitate their implementation.

## Strengthening governance through applied research

The Institute’s research team remains committed to applying an interfaced research methodology, which combines applied academic research into the functioning of, and incentives for good governance with practical work. The aim is to support developing countries in their efforts to strengthen governance structures, laws and institutions to prevent corruption and enhance integrity in the public sector.

In early 2012 our research team, in cooperation with researchers from the Swiss Tropical Public Health Institute (STPHI), successfully finalized a 3-year research project on “The Governance of Health Systems” that had been funded by the Swiss National Foundation (SNF). The final product of this research study was well received by SNF and other stakeholders who had been actively involved in the project over the past three years. The theoretical concept of “power and influence analysis” developed therein was presented on several occasions in 2012 at workshops and other forums including, for example, the Geneva Health Forum (April) and the Swiss Public Health Conference (August).

This political economy analysis tool, which identifies formal and informal drivers and incentives for enhancing governance systems, has since also been regularly integrated in a range of other research projects, including in other divisions of the Institute, including ICAR, and in new research grant applications. One such application led to the successful acquisition of a new 2-year research grant from the EU to participate in the EU multi-centre research programme ANTICORRP, which was launched at the beginning of 2012. Through this grant, the Institute in 2012 began to conduct extensive research on the linkages between corruption, governance and social accountability to support the EU’s programme of work on “The Ethnographic Study of Corruption Practices.” In the context of this project, our researchers are conducting on-site field research in Mexico and Tanzania. At the end of 2012, the Institute was about to conclude a partnership agreement with the UN

Development Programme (UNDP) to extend this research to four additional countries.

The Institute’s public governance research team in 2012 also carried out a series of assignments on governance and health for the World Health Organisation (WHO). This is the first time that the Institute has worked with WHO, and the partnership has been extremely valuable. On one of these projects, our researchers provided technical assistance in developing a systematic method to assess governance health systems, by blending in its sui generis “power and influence analysis” tool, as the basis for subsequently developing actionable plans for strengthening health systems. On this particular project we were honored to work with one of the most renowned professors in the field, Professor Merilee Grindle from Harvard University. Based on the development of this method, our experts are now creating a training package intended for the internal use at WHO. The project will continue in 2013. The integration of WHO’s insight into global challenges to health reform and the Institute’s expertise into understanding underlying governance failures has enabled a fruitful exchange and has afforded both partners with an excellent opportunity to greatly expand their respective knowledge and network of partners.



# Working with the private sector

## **Preventing corruption — a company specific and a collective responsibility**

A key principle of engagement guiding the work of the Basel Institute is the importance of ensuring that all key stakeholders are similarly engaged and closely collaborate in the fight against corruption, including the public and private sector. In 2012, the Institute thus continued to work in equal terms with representatives and organisations from both these sectors.

In the private sector, the Institute has, on the one hand, been acting as both compliance advisor and monitor to single companies, advising these on compliance and corruption prevention; and, on the other hand, the Institute has also further developed its existing, as well as initiated new Collective Action programmes, including multi-stakeholder initiatives against bribery and money laundering for select groups of industry-specific businesses.

As an independent body, and building on its long track record in advising businesses on compliance and Collective Action, the Institute remains well placed to facilitate dialogue and cooperation among such partners.

# International Center for Collective Action

Recognising the importance to include the private sector in efforts to counter corruption and enhance good governance and engage it in favor of a fair and transparent business environment, the Basel Institute in 2012 continued to expand its “collective action” programme. In this area of work, the Institute aims to support efforts by industry actors to work out feasible and collective solutions to mitigate the risk of corruption affecting their businesses. We work towards this goal by developing and implementing a number of initiatives in the context of a longer-term project “Promoting Global Industry Standards” funded by the Siemens Integrity Initiative.

Two key achievements in 2012 in this area of work stand out. Firstly, the Basel Institute formalized and institutionalized its long-standing engagement in this area by establishing the ICCA. The purpose of the ICCA is to assist companies and other concerned stakeholders in enhancing their ability to prevent corruption and combat bribery solicitation through Collective Action. To do so, the ICCA aims to document and disseminate information about existing Collective Action initiatives at local, national and international levels; to analyse such initiatives and gain information about factors that may influence the outcome and effectiveness of such initiatives; to share this information widely; and to use it to assist organisations interested in multi-stakeholder initiatives globally in specific sectors or countries. The project was made possible due to a group of institutional partners who in 2012 joined to support the initiative. By the end of 2012, these partners included the International Anti-Corruption Academy (IACA), the Organisation for Economic Cooperation and Development (OECD), TRACE, Transparency International, and the Universidad de San Andrés. And, at the time of writing this report in early January 2013, the WEF had also joined, which stood for another important milestone in the establishment of the ICCA.

Secondly, with a view to further disseminating information and knowledge about Collective Action—a concept still not widely understood or studied—the Institute published an edited volume on Collective Action (Pieth, Mark. 2012. “Collective Action: Innovative Strategies to Prevent Corruption”, DIKE Verlag AG). Both the ICCA and the book publication were

officially launched at the International Anti-Corruption Conference (IACC) in Brasilia, Brazil, in November 2012.

In parallel to these two key activities, the Institute furthermore continued to collaborate with key international partners from the energy sector and the materials handling sector with the aim to set up collective action framework agreements and initiatives for the major representatives of these respective sectors to devise industry-specific, anti-bribery compliance strategies. While momentum was achieved with partners of the energy sector, the interest from, and cooperation with partners in the latter sector remained limited. The former initiative was strongly and independently driven by the Basel Institute which we believe was the driving force in successfully maintaining the positive and constructive momentum. The Institute will continue to move this particular initiative forward in 2013 under the umbrella of the ICCA; and, even though it remains challenging to get such collective action initiatives off the ground, the Institute will seek to initiate similar such initiatives in 2013 and beyond, either at the sectorial or national level.

The Institute’s experience with collective action initiatives illustrates that, while “collective action” makes a good business case for affected companies to jointly create a way out of their bribery prisoner’s dilemma, it is not an easy endeavor. The reason for this realization is the fact that this well-intended process is tainted by factors such as suspicion of competitors to work together, worries about losing individual market strength and advantage, and consequently potential lack of trust. Knowing this and continuously learning from such lessons of the past, as well as distilling these lessons into hands-on tools, practical guidance, and thereby also assisting with launching and facilitating new initiatives, is precisely the goal of the aforementioned ICCA. It is the Institute’s hope that through the future work of the ICCA and its partners, companies will increasingly become aware of how collective action can contribute to cooperatively alleviating the burden of anti-bribery compliance. This remains the objective that the Institute is striving to achieve.

# Division for Corporate Governance and Compliance

The Institute sees compliance as a prevention instrument to protect companies and other institutions against legal, reputation and business risks associated with bribery or money laundering. As such, when requested, we provide advice to corporate and other clients on the development, implementation and strengthening of internal governance and compliance systems, programmes and policies in line with best practice, risk developments and legal regulations to comply with anti-bribery and anti-money laundering laws and standards. We work towards this goal by offering individual and tailor-made services such as the review and benchmarking of existing programmes, company specific risk analysis, policy writing and process implementation.

In 2012, the Institute's programme on Corporate Governance & Compliance was for the most part involved with its support towards the reform of FIFA, which it had begun at the end of 2011. The objective of this reform process is to create and implement effective internal governance structures and controls so that FIFA and its members act with integrity and transparency, and to restore the confidence amongst all FIFA stakeholders, including fans and the wider public. The Basel Institute continued to act as the Secretariat of the Independent Governance Committee, which under the direct leadership of our Institute's President, Professor Mark Pieth, is supervising and managing this reform movement. The Committee convened on several occasions to further discuss, analyze and move forward this initiative. It has written a report with recommendations, which were presented to FIFA's Executive Committee in early 2013.

We also carried out several smaller compliance assignments for a series of local and national banks, including the Swiss National Bank and the Luzerner Kantonalbank. These assignments involved background research, benchmarking and analysis in relation to these banks' respective internal codes of conduct with a view to determining and recommending best practice standards. Another similar assignment was conducted for another Swiss bank in relation to this particular bank's systems for regulating personal account dealings on behalf of these institutions' management and board members.

In addition, our experts throughout 2012 acted as a compliance monitor for a leading international services group, which specializes in the area of industry, real estate and infrastructure. This particular corporate mandate was acquired in 2010 and will be finalized in 2013 with the delivery of a final monitor report. Our experts regularly act as such monitors in the context of a company's mid- to long-term response to a crisis or other internal company challenge.

A final highlight for the corporate governance and compliance programme in 2013 was the request from the Swiss Federal Office of Sport to draft an expert opinion on sports fraud and good governance in Switzerland. The report was published in early 2013.





# General information

# Knowledge products

## Books and book contributions

Mark Pieth (ed.), *Collective Action: Innovative Strategies to Prevent Corruption*, Dike Verlag AG, 2012.  
 Peters, A., L. Handschin (eds.), *Conflict of Interest in Global, Public and Corporate Governance*, Cambridge University Press 2012.

## Commissioned studies

Basel Institute on Governance. *The Need for New EU Legislation Allowing the Assets Confiscated from Criminal Organisations to be Used for Civil Society and in Particular for Social Purposes*. Requested by the European Parliament's Committee on Civil Liberties, Justice and Home Affairs.

Basel Institute on Governance. *National Integrity Systems Assessment for Switzerland*, Transparency International.

Gomes Pereira, P., K. Attisso, S. Lehmann, A. Roth. *South Africa Anti-Corruption Architecture. In the framework of the Public Service Reform Programme (PSRP)*. Project supported by GIZ.

## Working papers

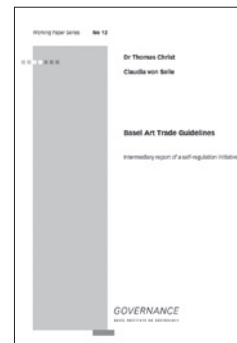
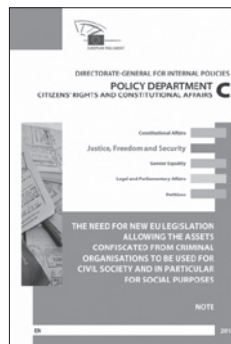
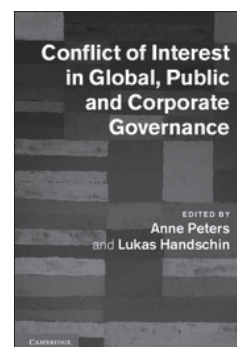
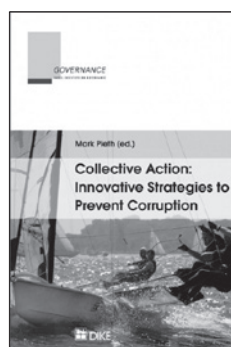
Christ T., C. von Selle. *Basel Art Trade Guidelines: Intermediary report of a self-regulation initiative*. Working Paper 12 (2012).

Pieth, M. *Collective Action and Corruption*. Working Paper 13 (2012).

Gomes Pereira, P., A. Fontana. *Using Money Laundering Investigations to Fight Corruption in Developing Countries: Domestic obstacles and strategies to overcome them*. Working Paper 14 (2012).

## Occasional papers

Baez-Camargo, C. *Using power and influence analysis to address corruption risks: The case of the Ugandan drug supply chain*. U4 Anti-Corruption Centre, 2012.



# Team and foundation board

## Team

**Phyllis Atkinson**, Head of Training, South African  
**Kodjo Attisso**, Asset Recovery Specialist, Togolese  
**Claudia Baez-Camargo**, Senior Research Fellow, Mexican  
**Andrew Dornbierer**, Legal Researcher, Australian and Swiss (new)  
**Gretta Fenner Zinkernagel**, Managing Director/ Director ICAR, Swiss  
**Kaspar Fischer**, Senior IT Specialist, Swiss  
**Damian Heller**, Director, Corporate Governance & Compliance, Swiss  
**Brigitte Hochuli**, Finance Officer, Swiss  
**Peter Huppertz**, E-learning and IT Specialist, German  
**Selvan Lehmann**, Project Manager Basel AML Index & Junior AML/CFT Specialist, German and Indian  
**Carolyn Moser**, Research Fellow (Public Governance) and PhD candidate, French and German  
**Charles Monteith**, Head of Legal and Case Consultancy, British (new)  
**Federico Paesano**, Senior Asset Recovery Specialist, Italian  
**Pedro Gomes Pereira**, Senior Asset Recovery Specialist, Brazilian and Portuguese  
**Andrea Poelling**, Head of Operations, Swiss and German  
**Nina Schild**, Events & Publication Coordinator, Swiss  
**Oscar Solorzano**, Legal Researcher, Swiss and Peruvian (new)  
**Matthias Wilde**, Administration/Project Support, Swiss  
**Laura Wirz**, Administrative Assistant, Swiss and Italian

## Long-term consultants

**Alan Bacarese**, Sr Asset Recovery Consultant, British  
**Tom Lasich**, Sr Asset Recovery Consultant, American  
**Rudolf Wyss**, Sr Asset Recovery Consultant, Swiss

## Departed staff and temporary staff

**Justin Field**  
**Eelco Jacob**  
**Alethia Marionetta**  
**Jan Richter**  
**Anja Roth**  
**Siri Schubert**

## Interns

Throughout 2012 we regularly engaged young, international professionals as temporary interns to support our experts in the development and implementation of our projects. In this context we thank Leon Bacarese, Pilar Koukol, Jacob Nübel and Franziska Stahl for their dedicated work as interns in our team during 2012.

## Foundation Board

**Prof Mark Pieth**, President  
**Prof Dr Anne Peters**, Vice President  
**Dr Marco Balmelli**  
**Dr Hans-Peter Bauer**  
**Dr Thomas Christ**  
**Prof Dr Till Förster**  
**Prof Dr Anton Schnyder**  
**Prof Dr Lukas Handschin**

# Partners

We continue to place great importance on partnership arrangements in the conduct of our work, including local, national and international partners. In 2012 we had on-going Memorandum of Understanding or Partnership Agreements with the International Anti-Corruption Academy (IACA), Interpol, the National Anti-Corruption Commission of Thailand (NACC), the Organisation for Economic Cooperation and Development (OECD), TRACE, Transparency International, the UN Interregional Crime and Justice Research Institute (UNICRI), the UN Office on Drugs and Crime (UNODC), the University of Basel, the University of San Andres Argentina, and the World Anti-Corruption Forum.

The Institute is also a member and/or regular guest at a number of international forums, including the Egmont Group, the Global Forum on Law, Justice and Development, the OECD Development Assistance Committee Governance Network (DAC Govnet), the Wolfsberg Group and the World EcoPACI). Other organisations with which we partnered in the context of specific projects included the Council of Europe, the International Monetary Fund (IMF), U4 Anti-Corruption Resource Centre, UNDP, the UNODC/World Bank Stolen Asset Recovery Initiative (StAR) and the World Bank Institute.

As always, we remain very grateful for the ongoing collaboration with our partners and would like to thank them for their consistently dedicated commitment to, and support of the Institute, thereby collectively enhancing the global cause against corruption. We look forward to working with our partners again in 2013 and also beyond.

# Funding

The Basel Institute is an independent, not-for-profit organization registered in Basel, Switzerland, and funded through different sources, including core contributions and project-related funding.

ICAR is to a large degree financed through core funding from Switzerland (SDC), the United Kingdom (DFID) and the Principality of Liechtenstein. In addition, we receive project-related contributions from other development partners.

The ICCA on the other hand receives seed funding from the Siemens Integrity Initiative; a donation from TRACE also helped greatly during the start-up phase of the ICCA.

Assets that we generate through our Corporate Governance and Compliance Division's work are used to fund research activities and technical assistance programmes to developing countries.

We express our sincere appreciation to the Institute's core donors as well as to project donors and other contributors.

# Financial statement

## Balance

<b>Assets (in CHF)</b>	<b>2012</b>	<b>2011</b>
Liquid assets	2'947'476.86	2'546'632.99
Receivables	416'434.22	275'652.82
Accrued income	196'075.49	63'489.07
Total current assets	3'559'986.57	2'885'774.88
Office furniture and equipment	7'586.57	24'102.21
Financial assets	27'357.70	27'291.30
Total fixed assets	34'944.27	51'393.51
Total assets	3'594'930.84	2'937'168.39
<b>Liabilities (in CHF)</b>		
Payables	199'160.17	288'528.59
Accrued liabilities	1'498'360.74	1'273'087.13
Total current liabilities	1'697'520.91	1'561'615.72
<b>Funds and capital</b>		
Restricted assets	1'099'052.79	359'626.60
Unspent restricted assets	348'550.47	742'800.06
Total restricted fund	1'447'603.26	1'102'426.66
Foundation capital	273'126.01	344'143.79
Profits and losses	176'680.66	-71'017.78
Total foundation capital	449'806.67	273'126.01
<b>Total liabilities</b>	<b>3'594'930.84</b>	<b>2'937'168.39</b>

## Statement of operations

<b>Income (in CHF)</b>	<b>2012</b>	<b>2011</b>
Contributions	2'083'452.99	2'630'471.35
Income from advices rendered to third parties	1'816'536.95	1'666'614.86
Extraordinary income	53'153.78	189.80
Total income	3'953'143.72	4'297'276.01
<b>Expenditures (in CHF)</b>		
Direct project expenditure	-2'527'324.82	-2'777'030.70
Administrative expenditure	-895'995.19	-861'630.42
Financial expenditure	-4'592.58	13'167.39
Total expenditures	-3'427'912.59	-3'625'493.73
Unspent restricted assets	348'550.47	742'800.06
<b>Profit and losses</b>	<b>176'680.66</b>	<b>-71'017.78</b>

# Glossary

AML/CTF	Anti-Money Laundering / Combating Terrorism Financing
ARIS	Asset Recovery Intelligence System
DAC Govnet	Development Assistance Committee Governance Network
EU	European Union
FIFA	Fédération Internationale de Football Association
FIU	Financial Intelligence Unit
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IACA	International Anti-Corruption Academy
ICCA	International Centre for Collective Action
ICAR	International Centre for Asset Recovery
IMF	International Monetary Fund
MENA	Middle East and North Africa
MLA	Mutual legal assistance
OECD	Organisation for Economic Cooperation and Development
OSCE	Office for Security and Cooperation in Europe
UK DFID	United Kingdom Department for International Development
UNCAC	United Nations Convention against Corruption
UNDP	United Nations Development Programme
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNODC	United Nations Office for Drugs and Crime
SDC	Swiss Agency for Development and Cooperation
SNF	Swiss National Foundation
StAR	Stolen Asset Recovery Initiative (of the World Bank)
STPHI	Swiss Tropical Public Health Institute
WEF-PACI	World Economic Forum Partnering against Corruption Initiative
WHO	World Health Organisation



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