

# **Operational strategy 2017-20**

## **International Centre for Asset Recovery**

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# 1 Introduction

The International Centre for Asset Recovery (ICAR) was founded in 2006 as a specialised division of the Basel Institute on Governance. As such, ICAR is part of an independent not-for-profit competence centre that works around the world with the public and private sectors to improve the quality of governance and counter corruption and other financial crimes.

Within the Basel Institute's dedication to contribute globally to preventing and combating corruption and enhancing the quality of governance in the public and private sectors, ICAR pursues the mission of supporting affected jurisdictions to investigate and prosecute financial crimes and cooperate with other jurisdictions for this purpose, with the ultimate aim of recovering stolen public assets. ICAR is one of only two specialised organisations worldwide to pursue this mission, and has been recognized to offer a range of unique assistance services.

During the build-up phase from 2006-2008, ICAR focused on developing and testing a portfolio of services, with a particular emphasis on training and legal and policy advice and by contributing to international policy dialogue on asset recovery through research and publications. Building on the reputation, networks and trust with partner countries established during this initial phase, ICAR in the subsequent 3-year period (2009-11) was able to intensify its case specific advice and played a significantly more important role in global policy dialogue. During the same period, demand for training and legal and policy advice continued to grow, which allowed extending the network of ICAR partner countries. The case specific advice and the unique training methodology employed by ICAR emerged as particular strengths and distinguishing features of ICAR's assistance portfolio during this time, combined with a range of innovative IT tools. Since 2012, demand for case specific advice has grown significantly which has led to considerable changes in the organisation's operational strategy, and in particular the shifting of resources to long-term in-country engagements in selected partner countries. (See Annex I for a more detailed summary of achievements in the first three operational stages of ICAR.)

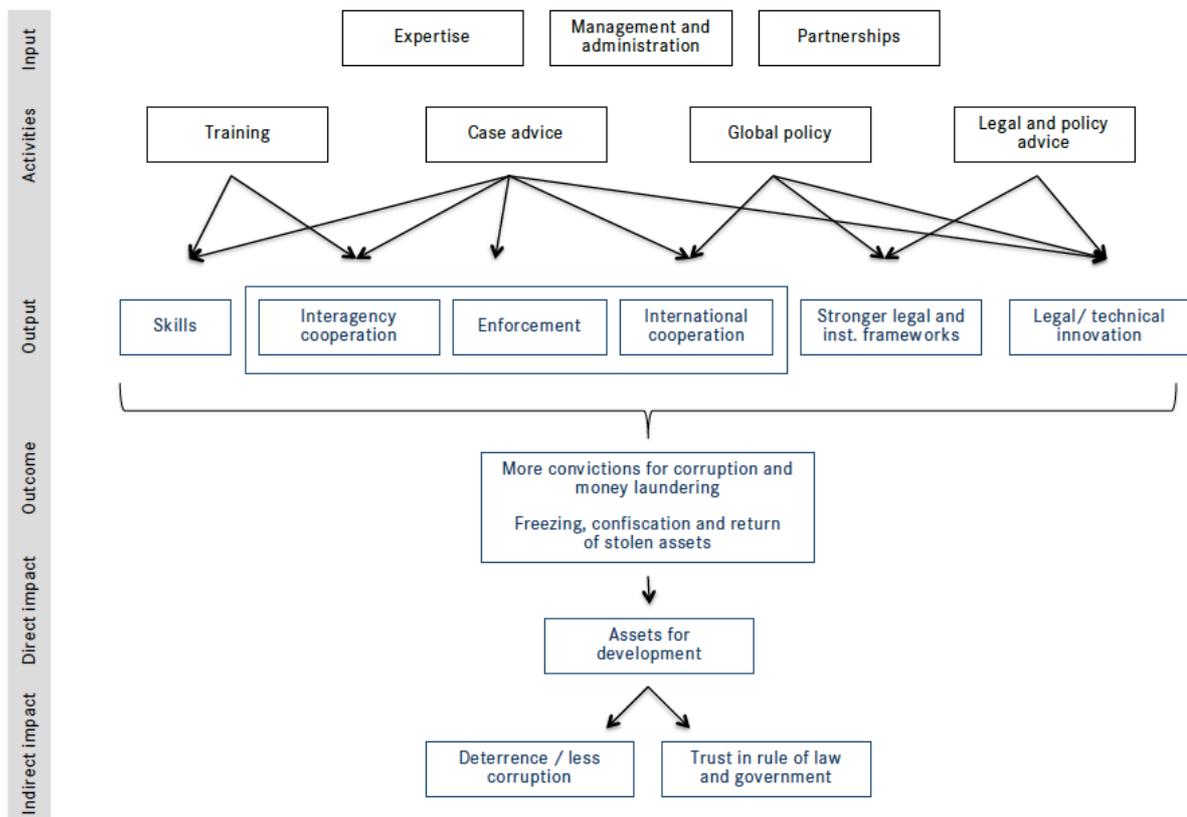
As the eruption of large scale corruption and money laundering cases has shown during 2016, we are far from rooting out corruption. Very significant sums of money continue to be stolen each year from countries that struggle from lack of resources to sustain a meaningful development path. At the same time, the fact that these cases have been detected and are pro-actively investigated internationally shows that there is continuous and indeed growing energy in this field. This stands in contrast to the fact that in most countries, the investigation and legal techniques required to not only jail the criminal but to also recover his/her assets are still little understood. And with the criminals becoming more sophisticated every day, even experienced law enforcement agencies need to learn and evolve. ICAR's support therefore remains as critical as ever.

As a result, ICAR is committed to continuing and - resources permitting - further intensifying its support for affected countries for a further period of at least four years (2017-20). To help ensure that it continues to do so with maximum effectiveness and impact, ICAR donors have commissioned an external review in 2015/16. The findings of this review, which were approved and confirmed by ICAR donors, have informed the development of this operational strategy, together with consultation with ICAR donors and beneficiaries. See Annex II for the Executive Summary of the review report.

## 2 Theory of Change

ICAR’s theory of change is derived from the Basel Institute’s internal vision statement of a “world free of corruption where governments, politicians, businesses and people act in the best interests of the societies they serve, thereby enabling everyone, everywhere, to enjoy just and dignified lives”. This vision statement builds on the widely recognised fact that corruption hinders and hurts development.

The recovery of stolen assets has been recognised as an essential aspect of anti-corruption ever since the entry into force of the UN Convention against Corruption (UNCAC). While asset recovery is primarily viewed as an enforcement measure that results in resource mobilization for development, ICAR also places equal emphasis on the preventative impact that asset recovery efforts have: When asset recovery efforts result in more convictions for corruption and money laundering and in the confiscation and recovery of the related stolen assets (Outcomes), it will reduce the incentives and increase the fear of corrupt officials to engage in such crimes in the future. Further, it has been widely recognized that asset recovery has positive long-term effects on the quality and effectiveness of a country’s law enforcement and judicial system and thereby significantly contributes to strengthening the rule of law and public trust in government<sup>1</sup> (Impact).



Graph 1: ICAR Theory of Change 2017-20

<sup>1</sup> See, for example: UNODC/World Bank Stolen Asset Recovery Initiative. 2009. *Towards a Global Architecture for Asset Recovery*. UNCAC Conference Edition. Doha, Qatar, p. 8.

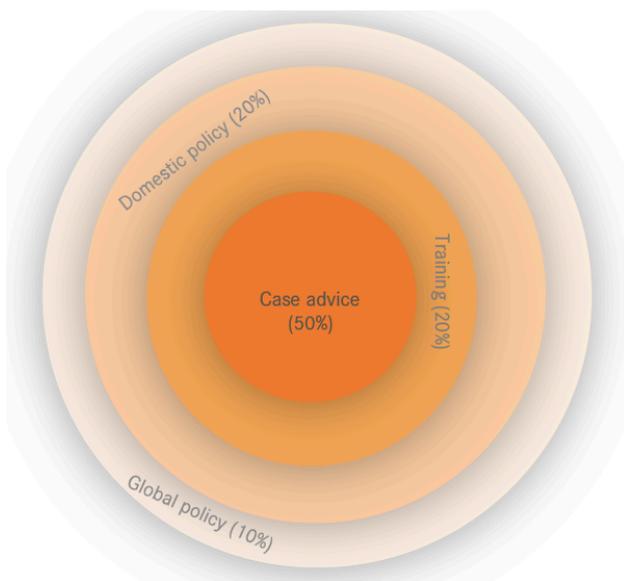
As outlined in more detail in chapter 3, ICAR’s inputs into this Theory of Change consists of an operational strategy made up of four mutually complimentary intervention lines consisting of case advice (50%), training (20%), legal and policy advice (20%) and global policy and research (10%). The weighting attached to these four areas of intervention is further explained in the subsequent chapters and reflected in the results framework, and results from an assessment, confirmed by the external review, of ICAR’s particular strengths and value proposition against the other stakeholders as well as needs and demands expressed by beneficiary countries.

As further illustrated in the results framework, through these four lines of intervention ICAR (Input) aims to produce a significant increase in the capacity of its partner countries to recover stolen assets due to better inter-agency and international cooperation, enhanced technical skills and expertise, a stronger legal and institutional framework, swifter case progress, and the development, domestically and internationally, of advanced asset recovery practices (Output).

## 3 Implementation

### 3.1 Intervention lines

This operational strategy foresees that ICAR will work through four main lines of intervention in order to achieve the outcomes envisaged in ICAR’s Theory of Change and corresponding results framework (Annex III). These are case advice, training, legal and policy advice, and global policy dialogue, tools and research, a mix that has been confirmed by the external review 2015-16 as suitable, both in view of ICAR’s mission and in view of assistance provided by other stakeholders operating in the area of asset recovery.



Graph 2: ICAR intervention levels

weighted accordingly, as indicated in Graph 2. This weighting is different from earlier intervention phases, where the lines of intervention were weighted more similarly, and is a result of reflections on

The four intervention lines are interconnected, complementary and indeed mutually reinforcing, and effectively are typically implemented in our partner countries either together or consecutively over time. By proposing this four-pronged intervention strategy, ICAR’s actions affect asset recovery across its entire spectrum, spanning from international/global to domestic, and from policy to the technical level.

At the same time and as illustrated in the Theory of Change (Graph 1), the potential effect of the four intervention lines on the desired outcomes varies, with case advice clearly having the potential to affect change across the greatest number of outcome areas. The investment of financial and human resources is

where ICAR can add particular value, where it offers unique services and where it has most impact (Theory of Change) resulting from and recommended in the 2016 external review.

### **3.1.1 Case advice**

The area of case advice is one of the most unique “selling points” of ICAR, where demand for our work has risen importantly in the last phase of our institutional development, and where still no other comparable organisation offers similar services.

Case advice consists of working with partner countries on the investigation and prosecution of real cases. This can take the form of ad hoc advice on particular technical and legal questions regarding a specific case strategy, be it in the pre-investigative, investigative, prosecutorial or judicial stage or relating to international cooperation, or can involve a comprehensive case coaching over a long stretch of time covering multiple or all of these phases. Prior to engaging with any beneficiary country in this activity, a Case Consultancy Agreement (CCA) is signed which provides a clear description of the mandate given to ICAR, whether ICAR has power of attorney to engage with other jurisdictions, addresses issues of legal protection of ICAR staff in the beneficiary country in relation to work executed under the CCA, and clarifies financial obligations of both parties. These CCAs are typically signed either at Ministerial level, sometimes covering multiple agencies over which the Minister has executive power, or at the level of Head of Agency (e.g. Head of anti-corruption agency, Attorney-General, Head of Police, Head of FIU, etc.).

Under the previous operational strategy, ICAR piloted with the model of long-term embedded experts (EE) as it was viewed – and confirmed in the 2016 external review – that working through this model broadens ICAR’s range of action and influence and increases the possibility of affecting the institutional dynamics and having a more sustainable impact. It has also led to a significant increase in numbers of cases that are directly supported by ICAR. Following a successful pilot in Kenya during 2014–15, further EEs have since been placed in Malawi, Peru, Tanzania, Uganda and Ukraine. Other countries receive such support through HQ based ICAR specialists and during regular in-country visits.

Both models have been assessed as suitable by the 2016 external review and are therefore continued as main implementation methodology for case advice, whilst not both models are necessarily suitable in every situation. The decision as to which type of support is most suitable in a given beneficiary country is typically influenced by a number of considerations, including:

- Level of in-country expertise high: HQ support;  
Level of in-country expertise low: EE support
- Complexity of legal and investigative work low: HQ support;  
Complexity of legal and investigative work high: EE support; very high: combination
- Potential case load low: HQ support;  
Potential case load high: EE support
- Available funding low: HQ support;  
Available funding high: EE support

Political will and the existence of a clearly expressed demand for ICAR support will also influence the choice between HQ and EE support. Decision-making in this respect is however particularly differentiated. ICAR may decide to invest in EE support despite concerns about the political will at Government / head of Government level, when one or more of the relevant agencies are strongly

committed and have the potential, with ICAR support, to provide a counter weight to a potential lack of political will at Government / head of Government level.

The provision of EE support, which is typically funded through a project specific grant from a country-based donor, is always preceded by either a period of HQ based support or a short-term pilot phase of EE support. This is critical in order to make a well founded assessment of the above noted criteria.

### **3.1.2 Training**

ICAR has developed two unique training products and in addition is making use of mixed training delivery methods in order to further capitalise on the broad expertise available among its team and scale up access to our training.

Numerous organisations offer training in asset recovery related fields and ICAR experts are regularly asked to join such trainings as expert speakers, requests that ICAR typically rejects. The focus of ICAR's training team is, and will remain, on the application of ICAR's unique training methodology, which was recognised by the external review report as one of ICAR's distinguishing features. Concurring with feedback from training participants, the report lauds ICAR's face-to-face trainings as uniquely relevant for practitioners due to their hands-on format and level of customisation. ICAR trainings are based on case scenarios, and teaching of theory is limited. Instead new investigation techniques or legal theory is imparted to participants with the help of a practical case scenario substantially tailor-made to the concerned partner country's legal and institutional set up. As the training methodology also involves an integrated group of participants ideally representing all institutions that play a role within the asset recovery value chain, the training indirectly (though consciously) seeks to contribute to overcoming silo working methods and strengthening inter-agency cooperation. No other organisation so far is offering a similarly fitting and sophisticated training methodology, as the external review has clearly highlighted, and ICAR clearly occupies a particularly strong position in this area. For the duration of this operational strategy, the training methodology will be maintained while continuously analysing our partner countries' training needs in order to ensure that suitable new thematic modules can be added as and when such new topics emerge. In addition, as demand for regional trainings, which achieve the added benefit of strengthening regional cooperation and peer learning, and for TTT has risen again, these training products will be further integrated in our country-specific and regional approaches, including in collaboration with the LCC division of ICAR.

The face-to-face trainings are complemented by ICAR's e-learning modules which are developed by a team of dedicated e-learning and IT specialists in conjunction with ICAR's senior legal and investigation specialists and HQ and in the field, as well as through partnerships with reputed organisations such as the Egmont Group. They are not intended to and indeed cannot replace the face-to-face trainings, which cover the entire value chain of the comprehensive and complex process of asset recovery; rather, they are highly complementary to these as they allow delving deeply into sub-themes and techniques. In other cases, and in particular in the training(s) developed with the Egmont Group, the e-learning tools were used to make training content more accessible to a broader audience at lower cost. By breaking up multi-week trainings into self-paced learning modules, this methodology also allowed offering a thematic training to a global audience with widely diverging levels of previous knowledge, as such helping to harmonise knowledge across a large group of practitioners in preparation for specific face-to-face training offered by the Egmont Group.

ICAR will continue to expand its offer of e-learning tools as and when suitable topics present themselves, demand is addressed and when partnerships with organisations such as the Egmont Group can be formed, as they offer the platforms necessary to reach the intended number of participants.

Further efforts will also be put into making existing (and new) e-learning modules available in major world languages for the same purpose of reaching as large as possible an audience.

### 3.1.3 Legal and policy work

A solid framework of laws and policies is important as a foundation for effective investigation and prosecution of corruption and the recovery of stolen assets. Pertinent international standards exist under the UNCAC and the Financial Action Task Force (FATF) Recommendations, as well as numerous regional instruments. ICAR's partner countries have signed up to these instruments or their corresponding regional mechanisms and participate in the related review mechanisms. These reviews typically identify a range of areas where legal or procedural improvements are recommended.

ICAR in the past has actively sought (and sometimes participated in public tenders for that purpose) to support countries in legislative or procedural reform processes, and this has often opened doors for more long-term engagement, case advice and training. This new operational strategy foresees a less proactive strategy in this regard, for a number of reasons: First, other organisations and free lance experts are often well qualified to undertake this work; we continue to invest our limited resources in areas where we can offer unique services and fill gaps that cannot be covered by other organisations. Second, our experience shows that even with the best laws on the books, the challenge is primarily in applying these laws. Capacity constraints and lack of experience make the best laws ineffective. Third, legal reform or the creation of new anti-corruption related institutions have in the past been used as an excuse for delaying effective action. This is not to say that legal reform in many countries is not necessary.

Taking the above points into account, ICAR's approach under this operational strategy is to prioritise engagement with such endeavours in those countries where we are already actively involved through case work and training. This enables us to fully understand the faults in legislation or institutional

arrangements in practice and thus puts us in an ideal position to work with our partner countries in meaningful, feasible and targeted legal and institutional reform and to focus on effective rather than idealistic legal concepts. As such, legal and institutional reform will continue to be one of the key

#### **Box 1: Digital developments for cross-divisional implementation**

Digital developments impact on asset recovery in a positive and in a negative way: Analytical tools, smart open source research, digital forensics etc. can help law enforcement with tracing assets and collecting evidence. On the other hand, certain digital developments also risk involuntarily helping criminals better hide their stolen assets. Throughout all its lines of work, ICAR is keen to ensure that such developments are adequately reflected in our work and interaction with partner countries. Examples of this are:

- Global policy: Creation of international working group on money laundering with digital currency
- Tools and research: Re-development of Asset Recovery Intelligence System (ARIS) which allows targeted search of open source information for corruption investigation and risk assessment purposes
- Legal and policy: Development of and advice to partner agencies on IT based solutions for case management and related procedural matters while taking into account the domestic IT capacity and ensuring value-for-money
- Training: Training module on money laundering investigations involving digital currencies
- Training: Development of state-of-the-art e-learning modules (offline and online) to facilitate access to ICAR trainings
- Case work: On-the-job introduction to advanced investigation tools using digital technology, such as digital forensics

services delivered by ICAR, but ideally as part of a long-term multi-pronged approach in our partner countries.

### **3.1.4 Global policy dialogue, tools and research**

Due to its non-governmental status, many partners view ICAR as uniquely positioned to voice independent or new ideas better than other stakeholders and in particular better than international organisations or individual governments. The Guide on Asset Recovery for Civil Society (<https://cso.assetrecovery.org/>) is a good example to illustrate the potential role of ICAR to act as mediator and trusted neutral convener between sometimes opposing poles. At the same time, and despite its non-governmental status, our partners clearly recognise that ICAR is not an advocacy or civil society organisation. This perception positions us ideally to make constructive and technically well-founded contributions to the international policy dialogue and academic and practitioner reflections on further enhancing the effectiveness of international asset recovery efforts.

In doing so, ICAR's international convening power may not be comparable to that of other stakeholders and in particular international organisations, but the gap in this regard has rapidly closed in recent years. An excellent example for this evolution is the global reputation that ICAR has gained through the publication, since 2012, of the Basel AML Index, the world's (still) only independent money laundering country risk rating, now used by well over 200 public and private specialist organisations. Similarly, ICAR's initiative to launch an international working group to prevent the use of virtual currency for the purpose of money laundering has mobilised Interpol and Europol to partner with ICAR, which testifies to our status as globally recognised centre of expertise. In other instances, ICAR reaches out to partner organisations to merge its unique technical expertise with other organisations' global reach, to the benefit of all concerned partners. Examples for this include the partnership with the Egmont Group in the development of e-learning modules for FIUs and related organisations, and the partnership with the Government of Switzerland and the World Bank / UNODC Stolen Asset Recovery Initiative (StAR) in the context of the Lausanne process for efficient asset recovery. In addition, ICAR's convening power at domestic level in our partner countries is nowadays perceived as considerably stronger than that of other stakeholders, which allows to disseminate knowledge products, tools and policy messages to those effectively affected and concerned with the matters at stake.

ICAR has also in the past developed a range of tools and services in support of financial investigation and asset recovery process that serve law enforcement and other public institutions as well as financial services organisation and the non-financial private sector. The inclusion of non-state actors in the beneficiary group of our services (whilst for-profit organisations will always have to pay for our services and tools) is part of ICAR's understanding that asset recovery is a shared responsibility between requested and requesting states on the one hand, and within these between the public sector and private actors.

### **3.2 Annual planning**

The work under this operational strategy is guided by the Theory of Change and the results framework (Annex III) which identifies concrete deliverables at outcome and output level over the 4-year period. These 4-year objectives are operationalized through annual work plans (e.g. for 2017 see Annex IV), which provide detailed information about activities planned in order to meet deliverables at outcome and output level on an annual basis. These annual work plans are presented to donors in the fourth quarter of the preceding year for approval.

Working through annual work plans within the framework of a 4-year guiding results framework will allow to ensure that our operations are aligned with the Theory of Change and results framework as per

this operational strategy whilst continuing to be responsive to partner countries' needs and adjust, when necessary, to other developments and changes in the international asset recovery field.

### **3.3 Project decision making**

Whilst between the four intervention lines, slightly different criteria may apply to the decision as to whether to engage or not in a new project, a number of general criteria are always considered, including:

- Availability of in-house expertise
- Availability of financial resources and availability (time) of suitable staff
- Sustainability of project
- Ability to utilize ICAR intervention tools
- Existing or new partnership?
- Level of complementarity with existing ICAR (or Basel Institute) projects (at country level, internationally)
- Reputational, legal and operational risks
- Complementarity / duplication with other donor funded interventions
- Level of commitment by partner country/organisation

The 2016 external review recommended a better documentation of such decision-making (and review of decisions). With the restructuring of the ICAR team structure, and in particular the introduction of a new position (Head of Programs), this will be initiated and piloted in the course of 2017.

### **3.4 Partnerships**

ICAR operates throughout its four intervention lines whenever possible in partnership with other like minded organisations. At country level, these are typically agencies from law enforcement, prosecution or the judicial services, the project donor if applicable, and the local donor community for technical assistance coordination. In addition, ICAR coordinates with the StAR initiative when the latter operates in the same country.

Internationally, ICAR has established numerous long-term partnerships with all key stakeholders in the asset recovery area. In some cases, this is based on the signing of formal Memoranda of Understanding (e.g. Egmont, OECD, Europol, Interpol, OSCE, UNICRI, TI, IACA, and numerous specialist national authorities), and in other cases the collaboration is project specific, and typically long-term, such as with the regional asset recovery networks (ARINSA, CARIN etc.), UNODC, the StAR initiative, FATF and many others. Whether formalised or informal, these partnerships serve a variety of purposes, ranging from exchanging knowledge and sharing expertise to implementing joint international projects. Particularly important in the context of formal partnerships is the Basel Institute's membership in the UN Crime Prevention and Criminal Justice Programme Network (PNI) as a result of which ICAR continues to be the only non-governmental organisation that is accepted as observer to all UNCAC related meetings, including the Conference of State Parties. This PNI membership has also in the past greatly facilitated project specific cooperation with the StAR Initiative and with UNODC, the latter for example in the context of asset return related policy dialogue events.

The partnership with the StAR Initiative at project level is particularly close in the context of the Lausanne initiative, where the two institutions jointly share the technical support of the Swiss

Government in the development and promotion of the Guidelines for the Efficient Recovery of Stolen Assets. At country-level, ICAR and StAR staff coordinate their support through regular phone calls and, when appropriate, joint in-country meetings.

In addition, and as a result of efforts made during the last implementation period to explore such opportunities, ICAR operates whenever suitable jointly or in mutual support with other divisions of the Basel Institute. By way of example, ICAR has worked with the Basel Institute's Governance Research division in order to gain a more in-depth and structured understanding of the political economy of some of our beneficiary countries to support decision making about the form and terms of engagement in these countries. In a number of long-term in-country programs (e.g. Uganda, Rwanda, Tanzania, Kenya), beneficiary agencies or local donors requested the engagement of other Basel Institute divisions in addition to ICAR as they perceived benefits from thematic synergies and complementarities.

## 4 Resources

### 4.1 Financial resources

#### 4.1.1 Operating budget 2017-20

For 2017-2020, ICAR's operating budget is CHF 5'355'000. Thereof, approximately 43% re expected to be funded through core contributions for which funding agreements are being negotiated at the time of the writing of this strategy. The remaining 57% of the operational budget will be funded through long-term grants (all of which are secured until at least end of 2018), from which a small percentage can also be retrieved to support HQ overhead costs related to the project, and multiple short-term project related grants and income generated from ICAR developed tools. The 2017 operating budget illustrates the continuous growth of ICAR from an average of CHF 2.2. million per year for 2006-08, an average of CHF 2.8 million during 2009-11, and an average of 3.6 million in 2012-16.

|  |                  |
|--|------------------|
| <b>Annual budget 2017-2020 (in CHF)</b>            | <b>5'355'000</b> |
| Training   | 615'000          |
| Tools / policy / research                          | 540'000          |
| Legal and Case Consultancy (including field staff) | 3'500'000        |
| Management (HQ and field operations)               | 700'000          |

*Table 1: Annual budget 2017-2020*

In view of limited prospect of quickly obtaining substantial amounts of additional core funding, and in order to operate on a realistic trajectory, the present operational strategy is drafted against an expectation that ICAR will operate at current funding levels. Because ICAR at current funding level is operating at capacity level, engaging with new partner countries or expanding our work both in-country and from headquarters, as often requested by partner countries, would require additional staff and funding for travel and other expenses as well as a stronger central management.

Table 2 indicates a proposal for the use of additional funding if such funding can be raised, either as project specific / earmarked funding or as core contribution. Fundraising efforts are on-going and if successful, milestones in the results framework would be adjusted accordingly and outputs would be increased, whilst it is not expected that additional funding would affect the general orientation of this operational strategy or the formulation of impact and outcomes. As Table 2 also shows, the weighting of such potential additional funding is similar to the overall weighting across the four intervention strands portrayed for operations at current funding level.

#### 4.1.2 Scenario increased funding

| Proposed use of and ideal level of additional funding for 2018-20 (in CHF) | 1'250'000 |
|--|-----------|
| Case advice (HQ)   | 500'000   |
| HQ   | (200'000) |
| In-country programs  | (300'000) |
| Legal and policy (HQ)  | 200'000   |
| Training   | 200'000   |
| Global policy / research   | 150'000   |
| Management (HQ and field operations)                                       | 200'000   |

Table 2: Proposed use of additional funding

#### 4.1.3 Scenario decreased funding

If core funding negotiations with existing donors for 2017-20, which are on-going at the time of the writing of this operational strategy, are not successful, headquarter led operations as well as managerial and technical oversight and administrative handling of in-country programs funded through project-specific grants are at considerable risk. A further reduction of core funding to HQ would need to be responded to by a reduction in staff costs (redundancies) and expenses for headquarter led operations in the areas of global policy, legal and policy reform and training. The first remedial action would be to reduce if not completely stop case advice work currently served from HQs. The need for senior level experts at HQ would thus be reduced to 1-2 positions. If further resources needed to be cut, the training team would have to be reduced by at least one person. The HQ case advice team and central management can only be reduced if in-country operations are closed. This latter option is only available to a limited degree due to contractual obligations for these programs. A continuation of ICAR's operations with substantially reduced core funding is only meaningful if the case advice team has at least two senior and two junior technical experts, the training team has at least two senior experts, and central management is reduced by at most one person. If core funding drops below that point, a reassessment of the entire operating model of ICAR would be required.

#### 4.2 Human resources and organisational structure

ICAR's operational management is assured by ICAR's Director (0.8-1 FTE), who also holds the role of Managing Director of the Basel Institute (up to 0.2 FTE). This combination of two roles in one person has been a conscious choice of the Basel Institute's Board and is based on the recognition that ICAR forms one of the two largest sub-divisions of the Institute. Elevating the management of ICAR to the level of Managing Director will ensure that ICAR management reports directly to the Board, and that

ICAR relevant considerations regarding the management of central resources, which are shared with other sub-divisions on a pro rata basis, are given due consideration.

The ICAR Director assigns responsibilities to senior members of his/her staff, in particular to the Head of Training and to Senior Experts in the legal advice, legal and policy and global policy teams, and to heads of country operations where applicable. As per the new organisational set up that will be implemented starting in mid 2017, the position of Head of LCC will be left vacant until its necessity has been further assessed, while the roles, profiles and responsibilities of Senior Specialists LCC at HQ level will be elevated. Instead, a new position will be created (Head of Programs) in order to strengthen the capacity of ICAR management to concentrate on strategy, fundraising and impact monitoring and evaluation, as per the external reviewer's recommendation, and to liberate technical experts from program management tasks. ICAR's administrative and operational support functions (accounting and bookkeeping, HR, administration, etc.) continue to be executed by the Basel Institute's central administration. An organogram is provided in Annex V.

At current funding level and when fully staffed, the ICAR team is composed of the following positions:

**HQ staff (Total: 12.3-12.5 FTE)**

- Director ICAR (0.8-1 FTE)
- Head of Programs (1 FTE)
- Training team (3.4 FTE)
- Case advice team (3.4 FTE)
- Legal and policy (incl. IT tools) (2.2 FTE)
- Global policy and research (1.5 FTE)

**Field staff (Total: 13 FTE)**

- Senior experts (1 FTE Ukraine, 1 FTE Kenya, 2 FTE Tanzania, 4 FTE Malawi, 1 FTE Peru)
- Program management (1 FTE Malawi)
- Legal researcher (1 FTE Malawi / 2 FTE Peru)

Central resources (shared, 75% ICAR; Total: 4.2 FTE, Total ICAR share: 3.15 FTE)

- Head of Operations (1 FTE)
- Communications (0.7 FTE)
- Financial accounting (0.8 FTE)
- IT support (0.6 FTE)
- Administration (1.7 FTE)
- HR (0.4 FTE)

## 5 Monitoring and evaluation

The 2016 external review of ICAR clearly indicated that whilst ICAR's performance met and indeed exceeded expectations, ICAR did not collect enough data to demonstrate in a systematic and measurable way the impact of its operations. The 2016 external review thus strongly recommended that ICAR develop a more solid framework for documenting and monitoring the outputs, outcomes and impact of its work in line with a clear and demonstrable theory of change. The external reviewers however also recognised that at ICAR's existing resource levels, doing so would be challenging, as specialist M&E knowledge and capacity to collect and analyse data could only be added at the expense of other staff and expense categories. To do so would require balancing between M&E requirements and operational demand and output levels.

In response to this, this operational strategy for the first time explicitly formulates ICAR's theory of change (see section 2) and an accompanying 4-year results framework (Annex III) through which ICAR is expected to contribute to its theory of change. The results framework defines outputs, outcomes and impact aligned to the theory of change and allows measuring progress toward the 4-year objectives on an annual basis against defined milestones. In order to measure some of these milestones, ICAR is further piloting in 2017 two distinct monitoring tools for ICAR's case advisory and training activities. The 4-year results framework is operationalized in 1-year work plans (Annex IV) which are discussed with and approved by donors in the autumn/winter donor meeting of the preceding year.

With the two monitoring tools piloted in 2017 and other data sources, monitoring of the results framework will be initiated in 2017 and should be fully operational in 2018. This staged approach is necessary in view of the above mentioned tension between the availability of resources and M&E requirements, and will allow to revise ICAR's staff structure to allow for more M&E capacity, on the one hand by creating and filling a new position ("Head of Programs") and on the other hand by restructuring the expert positions to free up resources for increased M&E and management capacity.

For long-term review and/or evaluation of the performance of ICAR against its theory of change, an external review or evaluation will be planned with donors to take place in the first half of the last operational year of this strategy, i.e. in the first half of 2020. This will allow both ICAR and its donors to take strategic decisions about the subsequent operational strategy.

The 2017 autumn/winter donor meeting will provide an opportunity to finalise the results framework for full operationalization in 2018, and to discuss data collection needs in order to allow long-term benchmarking in preparation for the long-term review / evaluation scheduled for 2020.

# Annex I: Looking back – 2006 to 2016

Since its establishment in 2006, ICAR has evolved quite significantly, and through this continued adaptation of its operational structure and strategy to emerging and changing needs of its partners has consistently increased its impact. A donor mandated external review of ICAR in 2015/16 recognised this openness and ability of ICAR to adapt as a particular strength of our institution. Regular reports to donors and annual public reports allow tracing these developments over time. At the risk of simplifying these developments, the following provides an overview of key achievements and changes that have occurred during ICAR's ten-year existence.

## Phase 1 (2006-08) – Build up

During the build-up phase in the first three years, ICAR focused on developing a portfolio of services and piloting and refining them, establishing its reputation through engagement in international policy dialogue, and building a network of experts and partner organisations on which to draw in order to support its partner countries. On all these fronts significant results were achieved:

- Recognised as one of only two international not-for-profit organisations qualified to provide expert advice and assistance to requesting countries and other stakeholders on recovering stolen assets, as demonstrated by: a significant increase in convening power for expert events; recognition of the Basel Institute/ICAR as the only non-governmental organisation admitted as observer to the Conference of State Parties (COSP) to the UN Convention against Corruption (UNCAC); and wide spread reference to ICAR knowledge products in publications and expert forums.
- Full portfolio of unique practitioner oriented training programs in basic and advanced skills required for recovering stolen assets, with a particular focus on financial investigations and international cooperation, piloted in and implemented, sometimes multiple times, in eight countries.
- Pilot case advice projects in selected countries in Africa and South East Asia to test the need and scope as well as various potential delivery methods for such hands-on assistance.
- Provision of technical advice and assistance, sometimes in multiple stages, in a diverse range of legal and policy reform projects in more than ten countries.
- Substantial contribution to knowledge building on asset recovery through publication of first of its kind comprehensive volume on asset recovery (Pieth, Mark (ed.). *Recovering Stolen Assets*. Peter Lang, Bern, 2008) and establishment of online knowledge centre (now revamped, but extensively utilised by stakeholders during first three years)
- Development of comprehensive online asset recovery resource centre (Asset Recovery Forum).

## Phase 2 (2009-11) – Consolidation

During the next three-year phase, the organisation consolidated its experiences from the first three operational years to refine its services and assistance programs and to explore additional avenues and develop further specialist knowledge and reputation. This phase saw an expansion of ICAR's assistance in relation to the investigation and prosecution of corruption and money laundering cases, accompanied by a fast growing international network of partner countries and institutions. ICAR further experienced a considerable increase in demand for capacity building as well as legal and policy advice to assist the development of adequate laws and institutions to support asset recovery and anti-money laundering efforts. Technical knowledge and practical experience gathered during the first three operational years

were further digested into and shared through a range of knowledge products. In summary, the following outcomes and outputs were achieved:

- Continuous development and expansion of training portfolio, delivered, sometimes on multiple occasions, in seventeen countries.
- Pilot and full case advice activities in five additional jurisdictions.
- Extensive support to over ten countries in legal and policy reform efforts.
- Contribution and initiation of a range of global policy initiatives
- Increased publication efforts to strengthen knowledge dissemination, with four dedicated working papers on asset recovery and anti-money laundering (working papers 6-9), an edited volume on anti-money laundering and terrorism financing (Pieth, Mark, D. Thelesklaf and R. Ivory (eds.). *Countering Terrorist Financing*. Peter Lang AG, Bern, 2009) and a practitioners handbook available in Arabic, English, Russian and Thai (Tracing Stolen Assets – A Practitioner’s Handbook, 2009).
- Development of pilot IT based investigation tool (Asset Recovery Intelligence System – ARIS) and roll out to over 25 FIUs in Europe and globally.
- Establishment of the Asset Recovery Expert Network (AREN) as part of the ICAR Asset Recovery online forum.

### **Phase 3 (2012-16) – Maturing and expansion**

The third phase was marked by renewed rapid growth and evolution, both in terms of types of operational activities and geographical reach. These developments bear testimony to the success of ICAR’s operational strategy during the previous six years and indeed to the institution’s reputation, built during that time, as the go-to place for independent and practice-oriented quality expertise in asset recovery. This is amongst others illustrated by the fact that ICAR was asked to lead and contribute to a number of key international policy initiatives in the area of asset recovery, such as on the role of non-state actors, the efficiency of asset recovery, and modalities for asset return.

Building on the trust established with ICAR’s partner countries, the demand for hands-on technical assistance in the investigation and prosecution of concrete corruption and money laundering cases, and for the facilitation of international cooperation in legal and judicial matters, has also grown dramatically. During the second part of this third phase, this led to an adjustment of the operational strategy in this regard, with a pilot and then full implementation of multiple long-term in-country placements of ICAR experts. Partially as a result of this, especially the second part of this third phase was marked by significant and highly tangible progress in the effective recovery of stolen assets. In five cases supported by ICAR, a final decision on the return of stolen assets was taken in different judicial proceedings, resulting in the return of more than USD 20 million to Kenya and Peru. A range of other cases have progressed significantly during this phase and it is expected they will lead to further final return decisions in the phase covered by this operational strategy.

Beyond individual cases, ICAR’s work of training and hands-on case based capacity building has started to show significant long-term impact. By way of example, in Kenya the investigation and conviction rates have gone up by multiple thousands of percentages since the start of our involvement. Peru and the Kyrgyz Republic have seen their first ever international corruption or money laundering investigations resulting in a final confiscation order due to ICAR’s involvement and support. In Tanzania, we have achieved a strong re-orientation of the investigation practice toward financial investigation, in particular in relation to illicit enrichment cases, which has resulted in the first ever prosecution in the country for this crime.

Finally, during this third phase, ICAR was a key player in a number of major global policy initiatives. For example, it spearheaded together with the Swiss Federal Department for Foreign Affairs (FDFA) and the StAR Initiative the development of Guidelines for the Efficient Recovery of Stolen Assets. ICAR has also made substantial and repeated contributions to international discussions about good practices for the return and end use of stolen assets. Finally, ICAR has initiated the leading international coalition to combat misuse of virtual currency and bitcoins for the purpose of money laundering, bringing together Interpol and Europol as co-sponsors of this first-of-its-kind initiative.

The performance of ICAR during the third phase was the subject of an external review mandated by ICAR core donors, which came to the conclusion that “According to the evidence gathered in this review, ICAR’s performance between 2011 and 2015 has been *highly satisfactory*”.

### **Summary evaluation (2006-2016)**

The presentation of the three phases of ICAR development show that one of the critical features of ICAR is to pursue its goal with a great focus on needs and demand in order to achieve maximum impact. We have also demonstrated that we structure our work in such a way that it can flexibly and quickly react to a changing international and domestic landscape in asset recovery. As mentioned above, this was also noted positively in the 2015-16 external review, which states: “ICAR has shown enough agility to learn from (...) challenges, transform its tools in order to increase their impact, stop non-performing activities and take on new opportunities.”

The number of organisations working in the field of asset recovery remains very limited, with only the StAR Initiative offering relatively comparable services. In this context, it has been recognised, including by the external review, that ICAR has successfully carved its portfolio of activities and assistance to offer services that are unique and at the same time highly complimentary to those offered by StAR and other partially similar organisations.

The external review, which is used as the basis for defining the operational strategy for 2017-20, also confirmed the validity of the current strategic orientation and portfolio of activities and assistance services. As such, the present operational strategy foresees little change in this regard while, of course, seeking to further reinforce the aspects identified in our practice and through the external review as particularly effective and successful. Additional adjustments during the forthcoming phase relate, on the one hand, to the external reviewers’ recommendation to better document and measure the impact of ICAR’s work and to strengthen management and administration of ICAR; and, on the other hand, to evolutions in the international debate and dialogue about asset recovery and its relation to broader global efforts to stamp out financial and related crimes.

## Annex II: Executive summary of 2016 external review of ICAR

(Author/source: International Law and Policy Institute (ILPI), 2016)

This report presents the outcome of an external review of the International Centre for Asset Recovery (ICAR) conducted by the International Law and Policy Institute (ILPI) between December 2015 and June 2016. The review, the first of its kind since ICAR was established in 2006, covers ICAR's operations from 2011 to 2015. It was commissioned by the Swiss Agency for Development Cooperation (SDC) in cooperation with ICAR's other donors, namely the UK Department for International Development (DFID) and Liechtenstein. It benefitted from extensive cooperation with ICAR's teams at the Centre's headquarters in Switzerland and in four countries in which it operates, as well as inputs from the donors, from beneficiary institutions and from international experts. This executive summary presents the main conclusions of the review under four general headings: findings on ICAR's performance, strategy, and organisation, and recommendations for its future development.

### *ICAR's performance*

ICAR is an independent not-for-profit organisation whose mission is "to strengthen and support the capacities of developing and transition partner countries to recover stolen assets". To fulfil this mission, ICAR provides trainings and casework assistance, develops IT tools in asset recovery, anti-corruption and anti-money laundering, conducts national policy analyses and contributes to the global policy debate on asset recovery. According to the evidence gathered in this review, ICAR's performance between 2011 and 2015 has been highly satisfactory.

By the end of 2015, ICAR had completed a large majority of the objectives formulated in its Business Plan for 2014-16, and most of its areas of activity recorded a sound rate of growth with respect to the previous planning period. The sample of experts consulted during this review considered its publications, its contributions to the global debate on asset recovery and its training programmes of high quality. The number of asset recovery cases on which it provides assistance to national authorities in developing and transition countries has been growing fast in the past three years. This is in part thanks to ICAR's new model of legal and case consultancy (LCC), which consists in embedding experts in partner country institutions, and has produced positive results in terms of both efficiency and impact. During the course of this review, for the first time since ICAR's creation, an asset confiscation order was given in one of these cases.

Admittedly, some of ICAR's products have not developed as expected – that is the case in particular for the Asset Recovery Intelligence System (ARIS) and the train-the-trainers programme. The former was suspended in 2015, when it became clear that it could not be pursued sustainably. The latter was simply not delivered in 2014 and 2015, as ICAR's management considered that there was no adequate demand.

One of the important findings of the review is the lack of evidence that could reliably document the effects of ICAR's interventions. ICAR systematically collects data about most of its outputs, but its internal management system does not produce readily usable information about the use of resources in its various areas of activity, and information about the direct and indirect outcomes of its interventions is virtually non-existent. The review pinpoints the lack of an evidential basis for ICAR's operational and strategic decision making and reporting, which it relates to the absence of a clearly formulated theory of change.

### *ICAR's strategy*

ICAR's strategy has evolved in important ways during the period under review in order to respond both to new opportunities and the challenges faced in some of its activities. ICAR has benefitted from a favourable global context, in which the interest for asset recovery (AR) has been rising in countries both at the origin and at the receiving end of illicit financial flows. But as already noted, some of its products have also proven less adapted to demand conditions than expected. In some countries, its case assistance work has been hampered or even disrupted by changes in the political climate. Importantly, ICAR has shown enough agility to learn from these challenges, transform its tools in order to increase their impact, stop non-performing activities and take on new opportunities.

The strategic choice of proposing in-country case consultancies needs further mention in this regard. The direct outcomes of ICAR's interventions depend on contributions from a range of counterparts and beneficiaries – hence on their capacity, material resources, trust in ICAR, and cultural and institutional context. One of the key advantages of ICAR's model of in-country placement is to increase the organization's ability to influence these factors. There is some evidence that ICAR's experts work on a much higher number of cases and have higher chances of contributing to the opening of new investigations when they are placed in the counterpart country. ICAR's training activities also seem to be better targeted in countries where ICAR has embedded advisors. Although they do not provide a guarantee of results, in-country placements therefore entail a number of benefits and, more importantly, seem to be fundamentally more adapted to the logic of ICAR's interventions than the alternative 'fly in-fly out' model of case assistance. In this respect, their emergence constitutes an important strategic development for ICAR.

ICAR has developed its portfolio of training courses to respond to the needs of its partner countries. ICAR has also gradually reoriented its training model towards more targeted courses, which should be more labour intensive (in terms of number of trainees per instructor) but might well deliver higher overall impact (in terms of the eventual outcomes of the courses).

ICAR has managed to establish itself as an important actor in the international asset recovery arena. Compared to inter-governmental organisations such as StAR and UNODC, ICAR is perceived to have a comparative advantage in providing hands-on case assistance and customised training focused on real cases, and also for its flexibility to respond to requests and the quality of its field staff. For its role in the global policy dialogue, ICAR, as a non-governmental entity, is viewed as more able to voice independent or new ideas, but with less ability to influence policy outcomes. Experts consulted during this review consider that there is enough work in asset recovery for organisations such as ICAR and StAR to coexist, but enough overlap in their mandates to make coordination a necessity.

Although ICAR has made efforts in this regard, a successful coordinated approach has not always been achieved.

The review identified several areas in which ICAR's strategic decision-making could be improved. Regarding case assistance, ICAR does not always appear to cooperate with the national institutions that maximise its chances of making an impact. This can confront local experts with institutional, political or other challenges that reduce their effectiveness, ultimately making in-country placement a high cost-low return investment. The embedded expert model therefore seems to present higher risks. While it is true that ICAR has a careful approach to new partnerships, typically analysing the conditions on the field for several months before deciding to place an expert, it does not document its assessment and the factors that justify its final decision. This makes it impossible to scrutinise the logic that led to certain decisions *ex post*, and reduces the opportunities for improving the decision-making process in general. Similarly, it appears that ICAR does not have a clearly defined and documented set of criteria for discontinuing activities.

ICAR's donors should contribute more to managing the risks of closer engagement with partner countries, as it appears that the lack of strategic coordination among them, or between their respective headquarters and country offices, are one of the factors that can affect ICAR's effectiveness at present.

Finally, ICAR does not yet seem to be taking full advantage of the benefits of embedded staff, in particular when it comes (1) to establishing outreach and facilitation of contacts among national and international AR agencies as one of ICAR's strengths; (2) to mapping and monitoring the outcomes and impact of the Centre's work.

### *ICAR's organisation*

ICAR has grown significantly in terms of budget and staff during the review period and will continue to benefit from growing interest in AR. This growth has highlighted the limits of the Centre's current organisation in terms of staffing, administrative and management capacities, and results monitoring and reporting – all of which appear as major challenges for ICAR's future development.

ICAR has increasingly turned to specific projects financed through non-core funding. It has thus far managed the inevitable tension between the predictability and flexibility of core funding, which is limited by the constraints and priorities of its donors, and the potential offered by project-specific funding, which comes with increased administrative demands – such as multiple phases of proposal writing, reporting on different results frameworks, and differing financial reporting requirements. But its approach would be strengthened with more long-term strategic planning, as well as financial and programmatic prioritization.

ICAR's administration costs have been significantly reduced in recent years, as existing staff has borne the added burden created by non-core funded activities. ICAR's Director, in particular, has been increasingly absorbed by the imperatives of programme management, at the cost of broader strategic planning, particularly in the area of financial sustainability and overall engagement strategy.

Adding to these constraints, ICAR's core donors have expressed increasing demands to strengthen reporting on the results of activities. Although this review concurs with the call for a comprehensive

monitoring system, it is clear that its development and management will require additional human resources.

ICAR has taken several initiatives to attract additional core supporters, but the constraining issue is whether other countries give AR sufficient priority. The current core donors could take a more active role in this regard by conveying a “seal of approval” for ICAR and adding a note of peer pressure.

### *Recommendations*

The review team’s recommendations can be summarised under four general headings: strengthen ICAR’s strategic positioning; develop ICAR’s monitoring and reporting mechanisms; better assess and manage ICAR’s risks; support managerial functions at ICAR.

#### Strengthen ICAR’s strategic positioning

- ICAR should seek to reinforce its position in the global asset recovery arena by further exploiting its comparative advantages, including its ability to flexibly provide hands-on case assistance as well as tailored and targeted training, and its capacity to be an independent voice in the global policy dialogue.
- ICAR should also build more on its potential to be a facilitator of contact and cooperation between national and international bodies involved in asset recovery and anti-corruption work. In particular, strategic relationship building and the sharing of relevant information at bilateral and multilateral level should become part of the missions of ICAR’s in-country advisors.
- ICAR’s donors should better support the Centre by clarifying their objectives in funding organisations with overlapping mandates; assuring diplomatic support to back up ICAR’s efforts in counterpart countries; and pursuing better coordination at the field level.

#### Develop ICAR’s monitoring and reporting mechanisms

- ICAR should elaborate a clear theory of change as a prerequisite and basis for building a comprehensive monitoring system and using it for strategic, managerial and reporting purposes.
- To feed its monitoring and reporting system, ICAR collect detailed evidence on the development of its activities, their direct and indirect outcomes, and their impact. This evidence should form the basis of ICAR’s reporting to donor agencies and other stakeholders.
- In particular, ICAR should use a set of simple indicators at the level of intermediary outcomes, monitored by in-country experts, to follow the progress of individual cases rather than general casework in a country.

#### Better assess and manage ICAR’s risks

- ICAR should build a strategic risk management approach to the uncertainties surrounding its work with partner countries. It should be more rigorous and systematic in its initial assessment of the institutional and political context, establish intermediate targets and

milestones with the host country counterparts, regularly update its initial assessment and decide on this basis whether a particular engagement should be pursued or discontinued.

- As part of the initial phase of assessment and establishment of a work plan, ICAR should assure working-level buy-in for embedded placements, in addition to high-level approval.
- Recommendation: If a clear agreement among funders to provide for the security of in-country advisors cannot be achieved, ICAR may need to invest in further provisions, such as security awareness trainings and notification procedures, contingency planning to deal with specific threats or problems, and if necessary further prevention and mitigation schemes.

#### Support managerial functions at ICAR

- With further growth, ICAR's Director should to further delegate oversight and quality assurance and build administrative capacity in order to spend more time on strategy setting, strategic decision making and fundraising.
- ICAR should develop its monitoring and evaluation capacity in order to face growing requirements for reporting on project outcomes.
- ICAR will have to place a great emphasis on finding the right people for its in-country projects and devising flexible ways to employ them.
- ICAR should make a greater effort to recover central administrative and management costs in project budgets. However, donors should both recognise the importance of strengthening ICAR's managerial and administrative capacities and support its efforts to broaden its group of core funders.

## Annex III: Results framework 2017-20<sup>2</sup>

| IMPACT (direct   | Impact Indicator 1   |   | Baseline  | Milestone 2017 | Milestone 2018                             | Milestone 2019                             | Target (2020)                              |  |  |
|--|--|---|---|----------------|--|--|--|--|--|
| ICAR partner countries are successful in recovering stolen assets that can be invested for development purposes<br><br>(TOC reference: Direct impact = Assets for development) | Stolen public assets are successfully recovered in cases supported by ICAR | <b>Planned</b>  |   | USD 10 million | tbc  | tbc  | tbc  |  |  |
|  |  | <b>Achieved</b>   |   |                |  |  |  |  |  |
|  |  |   | <b>Source: ICAR records, press releases and court documents</b> |                |  |  |  |  |  |
|  | Impact Indicator 2   |   | Baseline  | Milestone 2017 | Milestone 2018                             | Milestone 2019                             | Target (2020)                              |  |  |
|  |  | Returned assets are invested for development in cases supported by ICAR | <b>Planned</b>  |                | Documented for all cases supported by ICAR | Documented for all cases supported by ICAR | Documented for all cases supported by ICAR |  | Documented for all cases supported by ICAR |
|  |  |   | <b>Achieved</b>   |                |  |  |  |  |  |
|  |  | <b>Source: ICAR records, press releases, agreements</b>                 |   |                |  |  |  |  |  |

<sup>2</sup> To be reviewed at 2017 ICAR autumn/winter donor meeting

| OUTCOME   | Outcome 1 Indicator  |          | Baseline | Milestone 2017                  | Milestone 2018                  | Milestone 2019                  | Target (2020)                   | Assumptions   |  |
|---|--|----------|----------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---|--|
| <p>In cases supported by ICAR, ICAR partner countries are successful in obtaining convictions for corruption and related financial crimes, and at recovering stolen assets through these convictions</p> <p>(TOC reference: Outcome = Convictions for corruption and money laundering / Freezing, confiscation and return of stolen assets)</p> | <p>Number of final conviction orders in ICAR partner countries in ICAR supported cases or similar cases that can be linked to ICAR support</p> | Planned  |          | tbc                             | tbc                             | tbc                             | tbc                             | <p>Political will, long delays due to legal processes / appeals by defendants, security risks</p> |  |
|   |  | Achieved |          |                                 |                                 |                                 |                                 |   |  |
|   | Source: Source: ICAR statistics, Official (court) documents  |          |          |                                 |                                 |                                 |                                 |   |  |
|   | Outcome 2 Indicator  |          | Baseline | Milestone 2017                  | Milestone 2018                  | Milestone 2019                  | Target (2020)                   |   |  |
|   | <p>Number of asset freezes, confiscations and returns in ICAR supported cases or similar cases that can be linked to ICAR support</p>          | Planned  |          | tbc                             | tbc                             | tbc                             | tbc                             |   |  |
|   |  | Achieved |          |                                 |                                 |                                 |                                 |   |  |
| Source: ICAR statistics, Official (court) documents   |  |          |          |                                 |                                 |                                 |                                 |   |  |
| OUTPUT 1  | Output Indicator 1.1   |          | Baseline | Milestone 2017                  | Milestone 2018                  | Milestone 2019                  | Target (2020)                   | Assumptions   |  |
| <p>ICAR trained professionals improve their skills in asset recovery related matters</p> <p>(TOC reference: Output = Skills)</p>  | <p>ICAR trainees significantly improve their knowledge as a direct result of ICAR training</p>   | Planned  |          | knowledge increase at least 30% | <p>High job rotation within partner agencies</p>  |  |
|   |  | Achieved |          |                                 |                                 |                                 |                                 |   |  |
|   | Source: ICAR pre- and post-training tests  |          |          |                                 |                                 |                                 |                                 |   |  |
|   | Output Indicator 1.2   |          | Baseline | Milestone 2017                  | Milestone 2018                  | Milestone 2019                  | Target (2020)                   |   |  |
|   | <p>ICAR trainees testify to the relevance of ICAR trainings on their work</p>  | Planned  |          | Quantification tbd              | Quantification tbd              | Quantification tbd              | Quantification tbd              |   |  |
| Achieved  |  |          |          |                                 |                                 |                                 |                                 |   |  |

|   |  |   |                 |                       |                       |                       |                      |  |
|---|--|---|-----------------|-----------------------|-----------------------|-----------------------|----------------------|--|
|   |  | <b>Source: ICAR training tracer study</b> |                 |                       |                       |                       |                      |  |
|   | <b>Output Indicator 1.3</b>  |   | <b>Baseline</b> | <b>Milestone 2017</b> | <b>Milestone 2018</b> | <b>Milestone 2019</b> | <b>Target (2020)</b> |  |
|   | ICAR e-learnings are actively used and completed   | <b>Planned</b>                            | 0               | tbc                   | tbc                   | tbc                   | tbc                  |  |
|   |  | <b>Achieved</b>                           |                 |                       |                       |                       |                      |  |
|   |  | <b>Source: ICAR e-learning statistics</b> |                 |                       |                       |                       |                      |  |
| <b>IMPACT WEIGHTING: 20%</b>  |  |   |                 |                       |                       |                       |                      |  |
| <b>OUTPUT 2</b>   | <b>Output Indicator 2.1</b>  |   | <b>Baseline</b> | <b>Milestone 2017</b> | <b>Milestone 2018</b> | <b>Milestone 2019</b> | <b>Target (2020)</b> | <b>Assumptions</b>   |
| ICAR partner countries effectively use their enforcement instruments with a view to recovering stolen assets<br><br>(TOC reference: Output = Enforcement) | Percentage of ICAR supported cases making at least 4 steps toward conviction per year                        | <b>Planned</b>                            |                 | 50%                   | 50%                   | 50%                   | 50%                  | Political will and security situation in partner countries, human and financial resources in partner agencies, as well as variations in effectiveness of international cooperation and the availability of considerable resources of the defendants can impact the ability of ICAR and its partner countries to make progress on case work |
|   |  | <b>Achieved</b>                           |                 |                       |                       |                       |                      |  |
|   |  | <b>Source; ICAR case progress chart</b>   |                 |                       |                       |                       |                      |  |
|   | <b>Output Indicator 2.2</b>  |   | <b>Baseline</b> | <b>Milestone 2017</b> | <b>Milestone 2018</b> | <b>Milestone 2019</b> | <b>Target (2020)</b> |  |
|   | Percentage of ICAR supported cases operating through effective inter-agency and/or international cooperation | <b>Planned</b>                            |                 | 30%                   | 40%                   | 50%                   | 50%                  |  |
|   |  | <b>Achieved</b>                           |                 |                       |                       |                       |                      |  |
|   |  | <b>Source: ICAR case progress chart</b>   |                 |                       |                       |                       |                      |  |
| <b>IMPACT WEIGHTING: 50%</b>  |  |   |                 |                       |                       |                       |                      |  |

| OUTPUT 3  | Output Indicator 2.1   |          | Baseline     | Milestone 2017    | Milestone 2018         | Milestone 2019 | Target (2020) | Assumptions   |
|---|--|----------|--------------|-------------------|------------------------|----------------|---------------|---|
| ICAR partner countries introduce state of the art investigative tools, legal instruments and/or policies and procedures in support of more effective asset recovery<br><br>(TOC reference: Output = Stronger legal and institutional framework) | Number of legal reform processes and/or policies or procedures introduced in ICAR partner countries as a result of ICAR's intervention | Planned  |              | 5                 | 6                      | 7              | 8             | Political will to strengthen the legal and institutional framework to combat corruption and money laundering is largely outside the control of ICAR, though partnership with international organisation with more leverage at international level can help; especially legislative reform can take multiple years; impact of introduction of new policies and procedures may be hampered if not accompanied with meaningful resources |
|   |  | Achieved |              |                   |                        |                |               |   |
|   | Source: ICAR annual activities reports or project reports  |          |              |                   |                        |                |               |   |
|   | Output Indicator 2.3   |          | Baseline     | Milestone 2017    | Milestone 2018         | Milestone 2019 | Target (2020) |   |
|   | ARIS is fully operational and actively used in the public and private sector   | Planned  | ARIS dormant | ARIS re-developed | ARIS fully operational | 25 users       | 40 users      |   |
|   |  | Achieved |              |                   |                        |                |               |   |
| Source: ICAR annual activities reports  |  |          |              |                   |                        |                |               |   |
| <b>IMPACT WEIGHTING: 20%</b>  |  |          |              |                   |                        |                |               |   |

| OUTPUT 4  | Output Indicator 3.1   |                                     | Baseline | Milestone 2017   | Milestone 2018  | Milestone 2019  | Target (2020)   | Assumptions  |
|---|--|-------------------------------------|----------|--|---|---|---|--|
| Innovative or improved responses or approaches to asset recovery challenges are discussed and/or introduced globally and domestically<br><br>(TOC reference: Output = Legal and technical innovation) | ICAR contributes to at least one key global asset recovery policy theme at any given time through a leading role in pertinent publications, events, etc. | Planned                             |          | Commentaries to Guidelines completed, at least 1 pertinent paper published | Follow up to Lausanne clarified and initiated, at least 1 pertinent paper published | At least 1-2 pertinent legal or research papers published | At least 1-2 pertinent legal or research papers published | Progress on policy agenda partially depending on support/no-obstruction from concerned UN bodies |
|   |  | Achieved                            |          |  |   |   |   |  |
|   |  | Source: Documentation, publications |          |  |   |   |   |  |
|   | Output Indicator 3.2   |                                     | Baseline | Milestone 2017   | Milestone 2018  | Milestone 2019  | Target (2020)   |  |
|   | AML Index continues to be actively used by public and private partners for country risk rating   | Planned                             |          | 180 Expert edition users   | 200 Expert edition users  | tbc   | tbc   |  |
|   |  | Achieved                            |          |  |   |   |   |  |
| Source: ICAR website statistics, and Expert edition subscriptions   |  |                                     |          |  |   |   |   |  |
| IMPACT WEIGHTING: 10%   |  |                                     |          |  |   |   |   |  |

|  |  |                          |                               |  |  |  |  |
|--|--|--------------------------|-------------------------------|--|--|--|--|
| <b>INPUTS (Activities)</b>                             | <b>1. Training</b>                       |                          |                               |  |  |  |  |
|  | <b>2. Case advice</b>                    |                          |                               |  |  |  |  |
|  | <b>3. Legal and policy advice/reform</b> |                          |                               |  |  |  |  |
|  | <b>4. Global Policy</b>                  |                          |                               |  |  |  |  |
|  |  |                          |                               |  |  |  |  |
| <b>INPUTS (financial, in CHF), by source and total</b> | <b>Total (CHF)</b>                       | <b>Core donors (CHF)</b> | <b>Project specific (CHF)</b> |  |  |  |  |
|  | 5.355 million                            | 2.3 million              | 3.055 million                 |  |  |  |  |
|  |  |                          |                               |  |  |  |  |
| <b>INPUTS (HR)</b>                                     | <b>25.5 FTE</b>                          |                          |                               |  |  |  |  |
|  |  |                          |                               |  |  |  |  |

# Annex IV: Draft work plan and objectives 2017

## Case advice

- Achieve project specific objectives as per log frames agreed with respective country project donors in Kenya, Malawi, Peru, Tanzania and Uganda
- Achieve at a minimum a 50% case advance rate on average measured by the case advice related M&E tool
- Support asset return discussions between Peru, Switzerland and Luxemburg
- Continue and expand support to Ukraine asset recovery institutions (focus GPO and NABU) subject to project funding
- Continue active off-site support to Kyrgyz Republic, Rwanda and Sri Lanka
- Explore new case advice arrangements in Panama, Ecuador and Zimbabwe, and respond to additional incoming requests as possible
- Consider supporting a multi-jurisdictional settlement discussion in a case in Uzbekistan

## Training

- Complete TTT in Romania and Tanzania
- At least 3 regional trainings with partner organisations to approximately 85 participants, and preparation, if appropriate, of a regional TTT in Southern/Eastern Africa covering approximately 100 participants
- Deliver 10 national level trainings to approximately 260 participants
- Seek to deliver new training modules (developed in 2016) in at least two countries
- Initiate new e-training module with Egmont group for completion in 2018
- Add at least one new language version of at least one existing e-learning module

## Legal and policy work

- Support legal and institutional reform and enhancements of procedures and policies as part of long-term projects designed with partner countries and concerned country project donors
- Consider expanding support to FIUs and related institutions in MLA/CFT related reform efforts
- Respond to requests for legal and institutional reform from new countries subject to available resources and long-term prospects of engagement with the concerned countries

## Global policy dialogue, tools and research

- Complete on-going work on Guidelines for Efficient Asset Recovery for presentation at the COSP in Vienna in November 2017
- Publish 2017 Basel AML Index and continue to maintain the tool and promote to users
- Develop v 0.2 of ARIS jointly with Basel Institute COMP division, launch in early 2018

- Contribute to global policy dialogue on asset return in the context of UNODC/Swiss efforts (Addis process) and other suitable venues

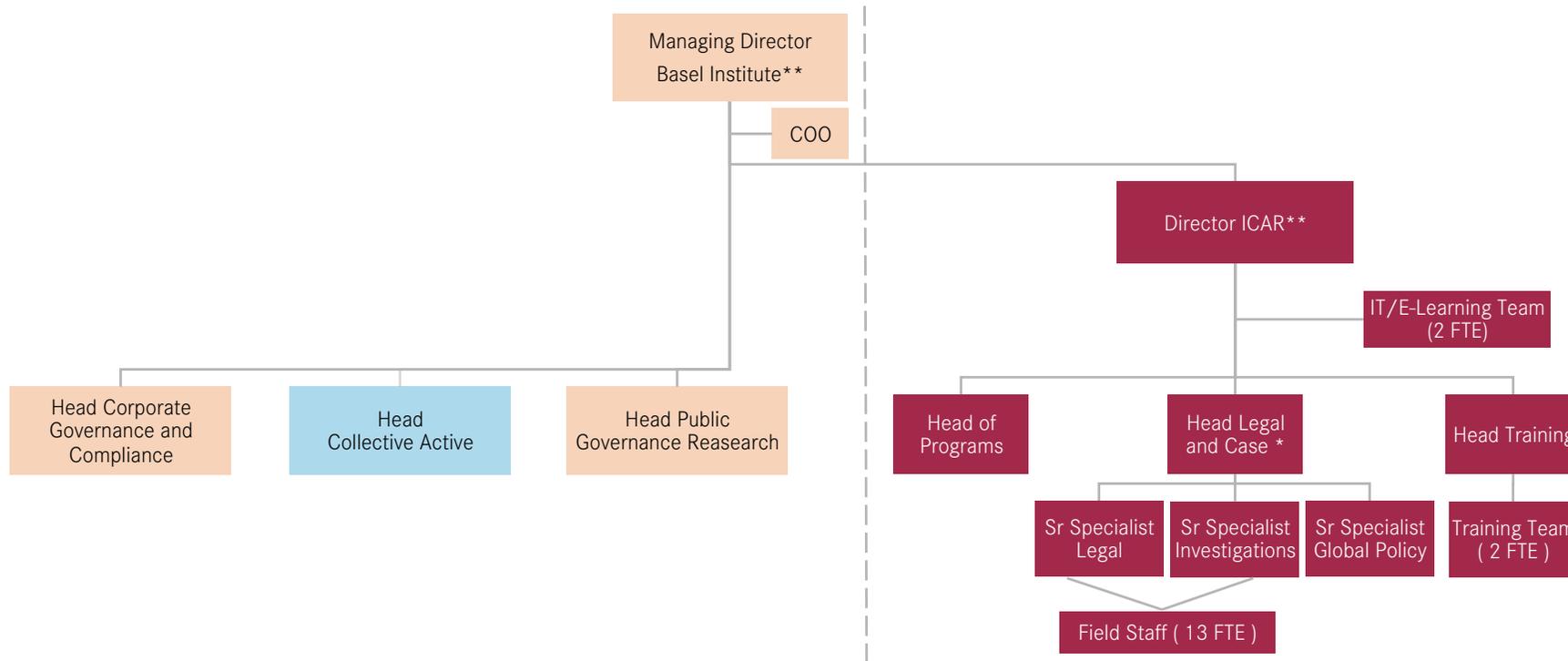
### **Management**

- Finalise results framework for 2018-20
- Revise and refine work plan template to align with results framework
- Develop template for reporting against results framework and annual work plan
- Develop plan for 4-year review/evaluation 2020
- Implement two new monitoring tools (case progress chart, training tracer study)
- Develop system for documentation of project decision-making process as per section 3.3. of this operational strategy)
- Fully transit program management to new Head of Programs position
- Complete senior level recruitment at HQ

### **Fundraising**

- Develop a fundraising strategy
- Secure long-term funding from existing core donors
- Outreach to new core donors (Canada, Jersey, Luxemburg, Sweden, others)
- Secure continuity of funding for existing in-country programs (Kenya, Ukraine)
- Assess need for (and if need confirmed seek to raise) additional funding in selected in-country programs (Kenya, Peru)
- Explore funding options through alternative channels, in particular private sector foundations and multilateral donors

# Annex V: Organogram Basel Institute on Governance



\* Vacant. To be reconsidered in first half 2018

\*\* Positions of Managing Director Basel Institute and Director ICAR held by the same person