

THE STOLEN ASSETS RECOVERY INITIATIVE (STAR)

Ending the Impunity of Corrupt Officials and Returning the Proceeds of Corruption

The local public seems to be bombarded with stories about corruption. It seems that there are weekly front-page headlines boldly announcing that some former president of an African country had stolen billions of dollars and hidden them outside of their country. Another news report targets a senior politician from the Americas who is hiding in Europe with untold sums of monies. Or, that a former minister from Southeast Asia had been convicted of corruption, but their monies and properties remain safe in various financial centres around the world. This was the state of anti-corruption efforts in 2007.



This arrogance and impunity had to be addressed by the international community.

StAR was formally launched on September 17, 2007 in New York City at an event chaired by the UN Secretary-General Ban Ki-moon with Robert Zoellick, President of the World Bank, and Antonio Maria Costa, Executive Director of the United Nations Office on Drugs and Crime (UNODC). StAR filled a global gap that no other international body or civil society organization had attempted to fill.

During the launch of the StAR initiative, a report entitled "Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan" was released. The report illustrated how the proceeds of corruption in developing countries can find shelter in financial centres and argued that corruption can only be tackled through international cooperation and collective action. The report announced the establishment of StAR as a joint initiative between the World Bank and UNODC to help address this problem by supporting partnerships between developed and developing countries and international institutions with an interest in this issue. The report also included an action plan outlining the priorities for StAR's work plan over the

medium term.

The legal backbone of the initiative is the UN Convention against Corruption (UNCAC). Chapter V of the Convention is devoted to asset recovery and is the most far reaching and innovative international accord on the subject. With over 140 countries that have ratified the Convention, there is no other international agreement with the reach of the UNCAC. Given the World Bank's interest in ensuring that development funds were not subverted, and UNODC's obligation as custodian of the Convention, the joint initiative between the two organizations was ideal.

Since 2007, StAR's activities have steadily gathered pace. Indeed, the programme is working on a significantly broader front than originally foreseen. In the beginning, the target for the number of countries was between four and six. Now there are 16 countries currently engaged at various levels of assistance. Over this period, international support for the asset recovery agenda and the initiative has continued to strengthen.

Originally a development issue, the proceeds of corruption and asset recovery are beginning to be addressed as part of the broader international dialogue on the reform of the international financial system.

One of the main goals of the programme is to support international efforts to deter illicit flows of the proceeds of corruption and to facilitate asset recovery across a broad front. The work programme combines policy analysis, developing knowledge products and capacity building, whilst simultaneously developing a portfolio of country programs that can deliver results on the ground.

Analysis and knowledge products respond to the demand identified by practitioners for handbooks and guides that systematize international experience and good practice on asset recovery, practical tools and guidance on the implementation of UNCAC's asset recovery provisions. The first of more than a dozen products, *Stolen Asset Recovery: A Good Practices Guide to Non-Conviction Based Forfeiture*, was published earlier this year.

. The original StAR report placed considerable emphasis on the potential development impact of the programme through contributions to development finance. This reflects the substantial recoveries in a few high profile cases, notably the experience of Nigeria. The report also acknowledged that StAR can have a significant deterrent effect by transmitting the signal that there is no safe haven for stolen assets. It is in the area of deterrence that this work programme expects to deliver early results.

StAR was conceived and designed as a pilot initiative with explicit sunset provisions. The work plan lays out a programme of activities for a period of two years until December 2010. Before the end of this period, StAR's progress will be reviewed by an independent evaluator. The results of this evaluation will help inform management decisions as to whether the programme should continue, and if so whether adjustments are needed in the initiative's strategic direction, governance and implementation arrangements. While two years is a relatively short -period from the perspective of any national asset recovery programme or any individual case, it should be sufficient to assess the demand for StAR's services, StAR's ability to respond to this demand and to make informed decisions regarding the programme's future .

In summary, this anti corruption plan has two different strategic goals. The short-term goal is to send a strong message about ending the impunity of corrupt officials. Leaders who steal from their own people need to feel that there is a good chance that they will be caught and punished and, furthermore, that their ill-gotten gains are unsafe. The long-term goal is to make asset recovery in corruption cases easier by reducing barriers in financial centres and by providing technical assistance and training to developing countries.

It will take time to evaluate StAR's ultimate success. But like all important journeys, it must begin with a first step and it is our belief that StAR is a very large first step.

* Stuart C. Gilman is Deputy Director of the StAR Initiative.