



## PARTNERSHIP CHARTER

November 7, 2008

# STOLEN ASSET RECOVERY INITIATIVE

## INTRODUCTION

1. The International Bank for Reconstruction and Development and International Development Association (together, the “Bank”) and the United Nations, represented by United Nations Office on Drugs and Crime (“UNODC”), who constitute the principal partners of Stolen Asset Recovery Initiative (“StAR”), have adopted the present charter (the “Charter”).

2. Launched in September 2007, StAR is a collaborative arrangement whose goal is to help ensure that there are no havens for the proceeds of corruption. The Charter outlines the structure and management of StAR, including with respect to one or more trust funds supporting StAR (collectively, the “Trust Fund”).

## PRINCIPLES

3. The following principles guide StAR (“Principles”):

- (i) **The UN Convention Against Corruption provides the framework for StAR.** The UN Convention against Corruption (the “UNCAC”) provides the international legal framework underpinning international collaboration in anti-corruption activities and asset recovery. Activities under StAR should encourage and promote the ratification, domestication and implementation of the Convention.
- (ii) **StAR is focused on international asset recovery.** Activities under StAR should have a direct or indirect effect in stemming the cross-border flow of corruptly acquired assets and facilitating countries’ efforts to recover stolen assets that have been hidden in foreign jurisdictions. This may entail working on domestic issues that have international dimensions, such as national forfeiture and anti-money-laundering regimes. It will also require StAR’s engagement in efforts to raise awareness about and promote the lowering of barriers to asset recovery that may exist in developed countries and financial centers.
- (iii) **Asset recovery is a demand-driven, country-led activity.** The Trust Fund will support individual countries in their efforts to recover assets so they can build institutional capacity. StAR should only engage in countries where the Government has requested StAR’s assistance, and this assistance should support the Government’s broader governance and anticorruption agenda.
- (iv) **StAR will provide assistance in the technical dimensions of asset recovery.** Asset recovery can be a politically charged issue. StAR will support countries committed to good governance and to fighting corruption, taking into account the risks and benefits of engagement and the need to avoid interference in the political affairs of participating states. In providing assistance, StAR should draw on good practice, international experience and sound technical analysis to help inform the national authorities’ decisions.

## OBJECTIVES

4. The objective of StAR is to encourage and facilitate more systematic and timely return of assets stolen by politically exposed persons through acts of corruption. In order to meet this objective, StAR consists of a partnership between the UNODC and the World Bank, with the support of Donors to the

Trust Fund and advisory experts (the “Partnership”). The specific objectives for the Partnership and the Trust Fund (the “Objectives”) are to:

- (i) Promote commitment at the highest level in both recipient and sending jurisdictions to recover stolen assets and deter asset theft.
- (ii) Develop knowledge products, procedures and tools that facilitate asset recovery and support their systematic, global adoption.
- (iii) Promote networks of practitioners in the field of asset recovery as a means of facilitating the exchange of information, knowledge and collaboration at an operational level.
- (iv) Support partner countries’ efforts to build institutional capacity for asset recovery as a routine part of its anti-corruption strategy.
- (v) Facilitate progress in partner countries’ asset recovery efforts.

## ACTIVITIES

5. StAR undertakes activities consistent with the Principles and Objectives. These activities are grouped into three components.

6. **Component One: Global Knowledge Sharing and Advocacy.** Activities under this component may include:

- (i) Research and consultations with stakeholders to inform the policy dialogue on UNCAC implementation, asset recovery, and related legal innovations;
- (ii) Development of diagnostic tools to support and assess progress in the implementation of the UNCAC provisions on mutual legal assistance, dual criminality, and other innovative elements in the Convention related to asset recovery;
- (iii) Research to expand knowledge and develop best practices in asset recovery, and disseminate this knowledge broadly;
- (iv) Support to international networks engaged in asset recovery, including the creation of single points of contact in each country to facilitate communication and work on asset recovery;
- (v) Research and advice to identify and lower institutional and legislative obstacles to asset recovery in the major financial centers, particularly regarding their ability to respond to requests for mutual legal assistance in corruption cases.

7. **Component Two: Building National Capacity.** Activities under this component will support the development of institutional capacity to undertake asset recovery activities as part of governments’ anti-corruption strategies and may include:

- (i) Analytical work on the asset recovery process, including legal analysis of successful and unsuccessful asset recovery cases;
- (ii) Analysis of a country’s overall anticorruption institutional arrangements, capacities, and vulnerabilities in the area of asset recovery;
- (iii) Advisory services to assist countries in developing coherent policies on asset recovery;
- (iv) Advisory services for the design of best-fit models that integrate asset recovery into existing institutional arrangements within the judiciary, anticorruption agencies, and financial intelligence units;
- (v) Advisory services in drafting or amending the legislative and regulatory framework necessary for successful asset recovery, including anti-money laundering, asset forfeiture, and income and asset declaration laws;

- (vi) Development and implementation of information systems to support investigative, legal documentation, and case management aspects of asset recovery;
- (vii) Training, mentoring, and advisory services on asset recovery to enable recipient agencies to identify and handle suspicious transactions, prepare cases, as well as manage and handle mutual legal assistance requests.

8. **Component Three: Assistance in the Recovery of Stolen Assets.** StAR may provide preparatory assistance aimed at collecting and sharing information to encourage the progress of a country's specific asset recovery efforts where requested to do so by national authorities. This could entail country dialogue and technical assistance, which may include:

- (i) Sponsoring meetings and workshops which bring together the parties involved at a national, regional, and international level as necessary;
- (ii) Advisory services to support the preparation of analytical reports, legal research, assistance with audits and financial analysis;
- (iii) Advisory services to support the preparation of mutual legal assistance requests;
- (iv) Advisory services in managing and monitoring recovered assets if requested by national authorities.

## **GOVERNANCE STRUCTURE**

9. StAR has a two-tier decision-making structure: (i) a Management Committee, which provides strategic guidance to StAR, and (ii) the StAR Secretariat, which manages day-to-day activities of StAR, as further described in this Charter. In addition, StAR is supported by two consultative and advisory bodies: (i) the StAR Donor Consultative Group (the "Donor Group") and (ii) the Friends of StAR ("FStAR").

### **Management Committee**

10. The Management Committee is chaired by the Bank and comprises of two additional permanent members from the Bank and two permanent members from UNODC. The Chair is the Bank's Vice President for Poverty Reduction and Economic Management. The members to represent the Bank will be determined by the Bank, and the members to represent the UNODC will be determined by the UNODC. The permanent members of the Management Committee may be represented by delegates. In addition to its permanent members, the Chair may request the participation of representatives from other UNODC and Bank departments, including representatives of regional units and core support units.

11. The Management Committee meets annually and may meet more often in special meetings either in person, by videoconference or by audioconference. The Chair, advised by the StAR Secretariat, will convene Management Committee meetings by providing written notice not less than ten days before the date of the meeting. Such notice states the location, place and time of the meeting, together with a draft agenda for the meeting. The Management Committee may make decisions by email between meetings.

12. Decision making by the Management Committee is done by consensus of all representatives physically present at an in-person meeting or in attendance for video or telephone conferences, and by no objection by all permanent members after a reasonable specified period of review for email decisions.

13. The Management Committee is responsible for:

- (i) Setting overall policies and priorities for StAR.
- (ii) Overseeing StAR activities.

- (iii) Approving the annual StAR work plan and its amendments.
- (iv) Allocating the StAR Multi-Donor Trust Fund (MDTF) between components and indicative allocations to individual activities.
- (v) Designating activities financed by the Trust Fund as either Bank-managed activities or UNODC-managed activities.
- (vi) Approving specific activity proposals and the allocation of StAR MDTF funds to the activity, consistent with the StAR work plan, as reflected in the Concept Note submitted by the Secretariat.
- (vii) Approving StAR strategies for country engagement and the allocation of StAR MDTF funds to the country strategy, assessing risks of proposed and ongoing StAR activities and ensuring that adequate risk mitigation measures are put in place.
- (viii) Approving the StAR annual report.
- (ix) Appointing the members of FStAR and selecting its Chair, as well as determining the Terms of Reference for FStAR.
- (x) Approving appropriate evaluation benchmarks and methodologies to assess the impact of StAR activities and commissioning any independent evaluations.
- (xi) Adopting this Charter and approving any amendments.

Notwithstanding the Management Committee's role in approving StAR's work plan, budget, specific activity proposals and annual report, or its role in overseeing StAR activities, it is understood that neither the Bank nor UNODC takes responsibility, fiduciary or otherwise, for the implementation or supervision of activities, including the use of funds from the Trust Fund, that have been assigned to the other partner in the work plan.

### **StAR Secretariat**

14. The StAR Secretariat supports the StAR mandate and handles StAR's day-to-day operations in accordance with this Charter and the Bank's standard operational and administrative policies and practices.

15. The Secretariat, which is located at the headquarters of the Bank in Washington, DC, is staffed and administered under Bank rules. Employees of UNODC working in the Secretariat hold Special Assignment appointments at the Bank. The Secretariat is headed by a Coordinator, who manages the execution of the duties assigned to the Secretariat as outlined in this Charter.

16. The Bank, through the PREM Vice-Presidency, provides overall managerial oversight for the Secretariat. The PREM Public Sector Department acts as the authorizing body for StAR Secretariat expenditures, administrative and personnel procedures.

17. Secretariat staff are supervised by and report to the Coordinator in the exercise of their day-to-day work and responsibilities. Both the Coordinator and Deputy Coordinator will provide input to the Bank and UNODC's performance review or appraisal processes for StAR Secretariat staff.

18. The Secretariat is responsible for:

- (i) Preparing the annual StAR work plan and budget and any amendments;
- (ii) Preparing specific activity proposals, consistent with the StAR work plan, including specific budgets for each StAR activity, for Management Committee approval.
- (iii) Coordinating implementation of the work plan across the Bank and UNODC, with clear deliverables and accountability for results.

- (iv) Coordinating the quality assurance process for all StAR activities with the appropriate departments in the Bank or UNODC.
- (v) Reviewing proposals for country engagement originating from national authorities, the Bank and UNODC to assess potential risks and recommending risk mitigation measures to the Management Committee based on consultations with Bank and UNODC country representatives and operational departments.
- (vi) Fostering open and timely communication among Secretariat staff and Task Team / Technical Leaders working on StAR activities.
- (vii) Helping ensure that the Bank's and UNODC's country representatives are informed of requests for StAR assistance, consulted regarding the scope and nature of StAR assistance, and informed of progress in StAR activities and substantive discussions with national authorities.
- (viii) Acting as the central point of contact in the Bank and UNODC for countries seeking or receiving support under StAR and to Donors.
- (ix) Reviewing proposed StAR activities for consistency with this Charter, including the Principles and Objectives.
- (x) Assessing the risks of interference in political affairs or other legal or reputational risks for specific activities, and preparing recommendations for the Management Committee, with particular attention paid to requests for assistance under Component 3.
- (xi) Designing appropriate methodologies to assess the development impact of StAR activities.
- (xii) Designating the Task Team / Technical Leader for each StAR activity in conjunction with the Bank or UNODC department responsible for implementation of the activity.
- (xiii) Establishing and monitoring practices for the confidential treatment of information related to sensitive aspects of country assistance, in ways that do not impede staff assisting the country under StAR.
- (xiv) Managing external relations and communications with national authorities, the media, stakeholders and partner organizations for StAR, including working with the relevant public relations staff in the Bank and UNODC when sensitive public relations issues arise related to StAR.
- (xv) Reporting on a semi-annual basis on the status of key deliverables to the Management Committee, and providing an annual progress report to the Donors, by consolidating reports from UNODC and the Bank on activities respectively implemented or supervised by them.
- (xvi) Preparing the agenda, minutes and background documentation and providing logistical support for the Management Committee, Donor Group and FStAR meetings.
- (xvii) Managing the StAR website.

### **Donor Consultative Group**

19. The Donor Group, comprising representatives of the partners contributing to the Trust Fund, reviews Trust Fund implementation. The Donor Group meets annually and may meet more often in special meetings. Meetings may be in person, by videoconference or by audioconference. The Chair of the Donor Group will be self-selected by the members of the Donor Group. The StAR Secretariat will provide an annual report detailing progress in implementing StAR activities financed by the Trust Fund. The Donor Group will have a consultative role regarding future plans and past activities, but will not be involved in the approval of StAR's work plan, budget, reports, operations, deliverables or products. The Donor Group may make recommendations to the Management Committee regarding the strategic direction and implementation of StAR.

20. The StAR Secretariat provides each Donor Group member with written notice of a Donor Group meeting not less than thirty days before the date of the meeting unless such notice has been waived by the intended recipient. Such notice states the date, place and time of the meeting and, in the case of a special meeting, the purpose(s) for which the meeting is being called. The Management Committee or StAR Secretariat may consult with the Donor Group by email, telephone or video conference between in-person meetings.

### **Friends of StAR**

21. An advisory group called FStAR assists the Management Committee in its duty to provide strategic guidance and set overall policies and priorities for StAR. FStAR comprises individuals representing different regions of the globe and fields of expertise; from anti-corruption and governance experts to banking and financial sector specialists, including prosecutors and law enforcement authorities. FStAR members and the Chair will be appointed by the Management Committee. The Management Committee determines the Terms of Reference for FStAR.

22. FStAR meets annually and may meet more often in special meetings either in person, by videoconference or by audioconference. The StAR Secretariat provides each FStAR member with written notice of a FStAR meeting not less than thirty days before the date of the meeting unless such notice has been waived by the intended recipient. Such notice states the date, place and time of the meeting and, in the case of a special meeting, the purpose(s) for which the meeting is being called. The Management Committee or StAR Secretariat may consult with FStAR by email, telephone or video conference between in-person meetings.

### **WORK PLANNING, EXECUTION ARRANGEMENTS AND TASK MANAGEMENT**

23. The StAR Secretariat prepares an annual work plan that lays out the activities to be undertaken, the outputs to be delivered, the execution arrangements for each activity and the budget assigned to each component by source of funds. The work plan may commit funding for activities that extend beyond the financial year. The annual work plan includes activities financed by the Bank, UNODC and the Trust Fund. The annual work plan and budget is approved by the Management Committee. Budget allocations from the StAR Multi-Donor Trust Fund to specific activities are approved by the Management Committee on the basis of the respective Concept Note or, for country engagement, the Country Strategy.

24. StAR activities are either managed by the Bank or UNODC, as designated by the Management Committee in the annual work plan or otherwise, meaning they are conducted under their respective fiduciary responsibilities, and may be implemented by the Bank, UNODC or another recipient, depending on the nature of the activity.

25. Activities that are managed by the Bank may be financed from the Bank's own budget resources or from the Trust Fund or a combination of both, in each case applying the Bank's policies and procedures.

26. Activities that are managed by UNODC may be financed from UNODC's own budget resources or from the Trust Fund disbursed by the Bank to UNODC or a combination of both, in each case applying UNODC's policies and procedures.

27. For UNODC-managed activities, UNODC requests the transfer of funds through the StAR Secretariat up to the overall allocation for UNODC-executed activities for specific budget amounts approved by the Management Committee on the basis of the respective Concept Note or, for country engagement, the Country Strategy. For amounts within the pre-approved allocation, the Bank disburses

the requested funds to UNODC on the basis of UNODC instructions only. Following disbursement of the requested funds, the Bank has no further responsibility for the funds, including no responsibility to monitor or address fund use, or provide financial, progress, results or impact reporting, it being understood that UNODC in turn has no responsibility for the aspects listed above with respect to funds in the Trust Fund that are not transferred to UNODC.

28. For each StAR activity, the Secretariat designates a Task Team / Technical Leader in consultation with the UNODC or World Bank management. The Task Team / Technical Leader is responsible for overall design of the activity, substantive delivery of the output, and management of the Task Team supporting the activity. The Task Team / Technical Leader can be StAR Secretariat staff or other World Bank staff (for Bank-managed activities) or UNODC staff (for UNODC-managed activities). In all cases, the Task Team / Technical Leader must have expertise in the area of the task and produce deliverables that are consistent with this Charter and sound, generally-accepted good practices.

29. The StAR Secretariat coordinates the quality assurance of all StAR activities and outputs. The quality assurance process includes Concept Review and Decision Meetings for all StAR activities and outputs co-chaired by the StAR Coordinator and the head of respective Bank or UNODC unit responsible for the implementation of the activity. StAR activities may also be subject to post-review and evaluation. Bank and UNODC staff will be encouraged to participate in the quality assurance process for all StAR activities.

## **COUNTRY ENGAGEMENT**

30. The StAR Secretariat helps ensure that the Bank's and UNODC's country representatives are informed of requests for StAR assistance and are consulted regarding the appropriate scope and nature of StAR assistance prior to the launch of activities at the country level. The StAR Secretariat helps ensure that the Bank and UNODC's country representatives are informed of progress in the implementation of StAR activities and substantive discussions with the national authorities.

31. The Management Committee is supported by the Secretariat in assessing potential risks and designing risk mitigation measures related to StAR activities. The Secretariat assesses the feasibility of StAR's engagement in a specific country where such engagement may expose StAR and its partners to the risk of interference in political affairs or other legal or reputational risks. In conducting these assessments, the Secretariat consults with the Bank's and UNODC's country representatives and relevant departments in both organizations. Particular attention is paid to requests for assistance under Component 3, where the Secretariat prepares a recommendation to the Management Committee regarding StAR's Country Strategy, including a risk profile review and risk mitigation measures.

32. When reviewing the proposed StAR Country Strategy, including requests for support under Component 3, the Secretariat and Management Committee gives particular attention to the following:

- (i) The nature of the assistance requested by the authorities, the country context and the circumstances under which the request was made;
- (ii) The expected financial and development impact;
- (iii) The requesting authorities' track record in pursuing similar cases if any;
- (iv) The status of the case in national and international jurisdictions and implications of providing support where criminal charges may be filed separately;
- (v) The relationship between StAR-financed activities and country-led governance and anticorruption initiatives already supported by the Bank and UNODC; and
- (vi) Any potential risks –reputational, legal or otherwise– to the Bank and UNODC.
- (vii) The principles outlined in paragraph 33 below.



33. StAR's country engagement is guided by the following principles:
- (i) StAR will seek information only as needed to inform its decision-making and as permitted by domestic laws.
  - (ii) National authorities are responsible for the collection, interpretation and use of all information on asset recovery cases.
  - (iii) StAR will draw on good practice and international experience regarding asset recovery case work in order to help inform decisions by national authorities, but will not seek to advise on the conduct of any specific cases.
  - (iv) StAR will focus on the asset recovery aspects of specific cases and will seek to avoid involvement in any aspects that are specifically related to criminal proceedings.
  - (v) StAR will not (a) become involved in litigation in any country, or be involved in the legal representation of any party; (b) take sides, or be seen to take sides, between member countries; (c) become privy to confidential information provided by one country to another via a mutual legal assistance request; (d) take possession of any evidence; (e) become involved in the submission of any evidence at trial, or serve as a witness at any trial; and (d) manage cases for a client country or make decisions for any client country.

#### **THE TRUST FUND**

34. The Bank acts as administrator ("Administrator") of the Trust Fund. Donor contributions are made to the Trust Fund under Administration Agreements ("Administration Agreements") entered into by the Bank and each of the Donors.

35. As Administrator of the Trust Fund, the Bank is responsible for performing those functions specifically set forth in the Administration Arrangements. In its capacity as Administrator, the Bank is not subject to any other duties or responsibilities to the Donors, UNODC or any other partner, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.

36. As Administrator, the Bank's financial management responsibilities include (i) managing Donor contributions, commitments, and disbursements (including transfers to the UNODC), (ii) managing Bank-executed tasks and activities, Bank supervision tasks and activities, and the Secretariat within budget, and (iii) liaising with the Bank's Trust Fund, Legal, Treasury, Controller's, Internal Audit, and other relevant departments. As Administrator, the Bank may also at any time undertake internal reviews of any StAR activities or functions, including submitted country applications, particularly where they may be of a sensitive nature and pose risks to the Bank.

#### **BANK AND UNODC COORDINATION**

37. Coordination between the Bank and the UNODC will be promoted through (i) placement of UNODC staff in the Secretariat on Special Assignment; (ii) preparation of a StAR annual work plan, budget and report covering Bank, UNODC and recipient-executed activities; (iii) the StAR Secretariat's chairing of Concept Review and Decision Meetings for all StAR Initiative tasks and products; (iv) the participation of Bank and UNODC staff in the quality assurance process as peer reviewers and the constitution of joint teams to support tasks and country-level engagement where feasible; (v) the exchange of internal documents (such as back-to-office reports) between the Bank and the UNODC at the staff level to the extent allowed by internal policies and procedures; (vi) the Bank's and UNODC's participation in the Management Committee, each having to agree to StAR's engagement in specific cases.

## **MONITORING, EVALUATION AND REPORTING**

38. The Secretariat is responsible for developing a monitoring and evaluation system to assess the impact of StAR activities on an ongoing basis. The Secretariat proposes to the Management Committee appropriate monitoring and evaluation benchmarks and methodologies for approval by the Management Committee.

39. At the task level, monitoring and supervision is carried out by the Task Team / Technical Leader for each Bank-managed and UNODC-managed activity. Task Team / Technical Leaders provide the StAR Secretariat with reports on implementation progress every six months, by 30 May and 30 November of each year. On completion, the Task Team / Technical Leaders prepare Activity Completion Reports that assess the impact of activities in accordance with a format provided by the StAR Secretariat.

40. Additionally, in the case of Bank-managed activities, Bank staff undertake monitoring and evaluation in accordance with Bank policies and procedures and in the case of UNODC-managed activities, UNODC staff will undertake monitoring and evaluation in accordance with UNODC policies and procedures.

41. The Bank and UNODC will prepare annual reports on progress in carrying out their respectively-managed work program and assessing the impact of their respectively-managed activities. These reports will be submitted to the Management Committee through the Secretariat. The Secretariat will determine the appropriate scope and structure of annual reports. These reports will be shared with donors within sixty days after the end of each Bank fiscal year.

42. Prior to the end of StAR's pilot stage on December 31, 2010, and prior to the closing of the Trust Fund, the Independent Evaluation Group (IEG) of the World Bank will conduct an evaluation of StAR. For the purpose of ex-post evaluation of the long run impact of StAR, the IEG team will take into consideration the Partnership and the role of StAR activities in the Bank's broader governance and anticorruption strategy.

## **TERM**

43. StAR's pilot stage will continue through to December 31, 2010. During 2010, the Management Committee will decide whether StAR should continue. If so, the Bank will decide whether to continue to act as Administrator and support the StAR Secretariat.

## **PRIVILEGES AND IMMUNITIES**

44. It is understood that nothing herein, nor any of the undertakings to be performed by the Bank or the UNODC or any of their respective officers or employees, will be contrary to or inconsistent with the Bank's or UNODC's respective Articles of Agreement or applicable regulations and rules. Nothing in this Charter shall be considered a waiver of, or impairment or limit to, any privileges or immunities of the Bank or the UNODC under their respective Articles of Agreement or any applicable regulation, rule, instrument or law, all of which are expressly reserved.

## **AMENDMENTS**

45. This Charter may be amended by the Management Committee only by affirmative acceptance on the part of all representative present at the meeting or videoconference, or by email by affirmative acceptance of all permanent members. The Secretariat will maintain and distribute records of any such

amendments. All amendments will be subject to prior internal review and approval by the Bank, as Administrator, to ensure consistency with Administration Agreements, any other trust fund agreements, and Bank policies and procedures, all of which will prevail over this Charter in the event of conflict.