

StAR Initiative's Response to the External Review

The StAR Initiative wishes to thank the panel of independent experts and lead evaluator for their report on the external review of the StAR Initiative for 2013 to 2018. The report makes for a thought-provoking and enjoyable read and captures the essence of StAR's work – strengths and challenges - in a clear and succinct manner. It is evident that considerable time and effort was spent on the interviews, stakeholder surveys, analysis of supporting evidence, and formulation of the report's findings and recommendations. Overall, the recommendations are carefully crafted and supported by convincing evidence and analysis, and constitute a move in the right direction to shape the future of the StAR Initiative.

We especially welcome the report's central finding on the high strategic relevance of StAR's asset recovery mission in a world of increased global attention to corruption, and its encouraging comments on StAR's important contributions to this field over the past ten years, especially through its knowledge products, policy influence, convening power, and ability to play the role of a trusted broker. We welcome the panel's view that StAR is well-positioned to continue and build out its role as an influential actor in this space, but at the same time acknowledge that some of the challenges and operational constraints highlighted in the report affect the Initiative's effectiveness and sustainability, and require dedicated attention.

In light of the overall findings of the report, the StAR Management Committee has reviewed the report and reaffirms its commitment to the World Bank/UNODC partnership and will continue to guide and support the Stolen Asset Recovery Initiative during this exciting next stage. The StAR Secretariat looks forward to working on its next phase with the Management Committee, our respective institutions, StAR's Donor Consultative Group, and the broader network of StAR stakeholders to implement these recommendations.

Strategic Relevance (Recommendations 1 and 2)

- We strongly welcome the recommendation to extend the StAR Initiative for a term of ten years. To make this happen, the StAR Management Committee reaffirms its commitment to the Initiative and will support the Initiative's proposed extension through increased internal advocacy within our respective institutions, as well as through contributions to StAR's fundraising efforts.
- With support from the Management Committee, the StAR Secretariat will develop a concept note outlining necessary administrative steps and mapping the way forward for the extension, including 1) extending or renewing StAR's multi-donor trust fund facility at the World Bank (taking into account recent trust fund reforms), 2) updating the Partnership Charter (as needed), and 3) updating donor administration agreements, in accordance with World Bank/UNODC institutional guidelines and in coordination with colleagues in LEG (Legal) and DFI (Development Finance).
- We note that the approach of viewing corruption and asset recovery not primarily as issues of concern for developing countries but shifting the focus towards the responsibility of financial

centers that host stolen assets was prescient at the time of StAR's founding in 2007. As the enabling role of financial centers in several large-scale grand corruption cases in recent years has demonstrated, this approach is still timely and highly necessary today.

- We support the panel's assessment that to maximize the impact of the StAR's mission, reach, and stature, StAR should rebalance its efforts and focus more heavily on its original mission to deny safe havens for corrupt funds. In this context, StAR should capitalize on its important role as trusted broker and interlocutor at various multilateral fora (incl. G7, G20, FATF, OECD). The Initiative should expand its work with financial centers, including on promoting effectiveness of beneficial ownership transparency and combatting misuse of corporate structures to hide stolen assets, alongside its ongoing work on building capacity to pursue the return of proceeds of corruption to emerging markets and developing countries.
- This strategic shift is closely aligned with the World Bank's increased emphasis on combatting illicit financial flows (IFFs) and UN initiatives such as the new High-level Panel on International Financial Accountability, Transparency and Integrity (FACTI), and also offers exciting opportunities to collaborate with new partners.

Effectiveness (Recommendations 3 and 4)

- We welcome the report's encouraging survey and interview findings on high levels of appreciation for StAR's knowledge products among stakeholders, as well as on the Initiative's unique ability to convene influential decision-makers and practitioners and play the role of a trusted broker between countries involved in active asset recovery processes.
- We note the important role of knowledge and research in sharing lessons learnt across countries and mainstreaming asset recovery concepts, thereby complementing, rather than displacing StAR's country assistance. StAR's publications have played a prominent role in recording and disseminating best practices in international asset recovery. We acknowledge and appreciate the report's pragmatic finding that given limited budget and staff, StAR is spread too thin to adequately support unlimited technical assistance and training requests, which come at the expense of other elements of its core mission, like advocacy, research, and convening, and will coordinate assistance requests with other technical assistance providers, in line with the recommendations of the report.
- While country work will continue to remain a priority in StAR's workplan and is a critical element of our theory of change, to the extent that a balance must be struck, we agree with the suggestion to place greater emphasis on the development of knowledge products, which is in line with recent efforts to focus more on research/knowledge. This suggestion is also in line with UNODC's mandate from the Conference of the States Parties (CoSP) and Asset Recovery Working Group to develop tools supporting implementation of UNCAC.
- We fully support the report's recommendation to develop a strategic, independent, and flexible communications strategy, and ensure adequate and more deliberate resource allocation and

greater operational autonomy for its implementation. We have already started putting this into practice: the redesign of the StAR website is underway and we have hired a new communications and M&E consultant to support this work. We appreciate the recommendation to explore options of increased use of UNODC's communications channels and procedures for StAR communications and will follow up on this suggestion.

Partnership (Recommendations 5 to 7)

- We reaffirm our commitment to the unique World Bank/UNODC partnership in light of the encouraging findings of the external review report and continue to work towards improving collaboration across the two institutions within the StAR team.
- We are considering the panel's recommendation to add two external members with asset recovery/anti-corruption expertise for two-year terms in an advisory capacity. While we agree that it is a good idea to have such an external perspective to inform discussions of the Management Committee, we do not believe it fits well with the essential managerial oversight role of the Committee. We will therefore look to develop proposals to ensure that StAR derives the benefit of such perspectives but without the experts being official members of the Committee.
- With respect to recommendation 5.2. on staffing, we concur that staffing levels need to be commensurate with StAR's workplan and should be clearly outlined in new project proposals. We support efforts to secure adequate institutional buy-in to hire additional core staff to protect StAR's continuity of service, build internal capacity and institutional memory necessary for realizing the implementation of the report's recommendations. Matching staffing needs to the workplan mitigates risks related to overcommitting and should also ensure that country work is not prioritized at the expense of knowledge work.
- The report suggests to modify StAR's operational model to go beyond the "requesting country" model and adopt a more proactive and strategic approach, particularly with regard to financial centers. While a request letter for a country engagement will remain necessary for StAR to work in-country, knowledge work can also highlight and recommend actions on country/financial center vulnerabilities – proactively addressing the type of weaknesses StAR is meant to fight.
- We welcome the report's recommendations 7.1 and 7.2 calling for the Management Committee to play a more active role in advocacy for StAR internally, including at the highest levels at the World Bank and UNODC, and are in agreement about the importance of identifying internal partners for anti-corruption activities within the respective institutions.

Sustainability

- While there is no specific summary recommendation under this heading, important recommendations related to the sustainability of the initiative are included throughout the report,

including investing more in work on denying safe havens and prioritizing knowledge development, and operational constraints affecting sustainability.

- Given the realities of resource and staffing constraints, as well as the political risks inherent to country work, supporting a large number of general capacity building and training requests from countries invariably come at the expense of other elements of StAR’s core mission, like advocacy, research, and convening. Therefore, the report’s suggestion to “rebalance and reduce the quantity but not the scope of its work, in order to respect the reinforcing elements of [StAR’s] broad program” is pragmatic and ensures sufficient emphasis on elements of StAR’s work where the Initiative has the greatest comparative advantage.

Monitoring and Evaluation (Recommendations 8.1 and 8.2)

- The recommendations on the development of a more comprehensive M&E framework for StAR are valuable and the report’s analysis of the current five indicators is a welcome starting point for a review of these indicators.
- We note the report’s acknowledgement that some progress in this area has been made and support the StAR Secretariat in conducting a review the current indicators and reporting mechanisms (that were agreed on with donors and implemented in 2018) in line with the recommendations of the report, e.g. that any improvements to the existing approach should focus on facilitating strategic decision-making, resource prioritization, learning and measuring effectiveness of programming.
- We support the proposal to exchange and adopt good practices and lessons learnt on results measurement from other actors in the same field. In this context, we also note that: 1) the recommendations for developing a comprehensive standalone M&E framework are quite ambitious for an initiative of StAR’s size, budget, and institutional set-up as a partnership that operates within the institutional frameworks of its partnership institutions, not as a standalone entity; 2) that design and implementation of a significantly more comprehensive system needs to be commensurate with operational constraints and bandwidth of core staff (that work across both StAR and non-StAR projects and are subject to different results measurement systems); and 3) that a review of the current results measurement should therefore focus on closer alignment with existing reporting requirements for UNODC and World Bank systems.