



INTERNATIONAL  
ANTI-CORRUPTION  
ACADEMY

**Third Session of the  
Assembly of Parties  
of the  
International Anti-Corruption Academy**

Baku, Azerbaijan  
19 - 21 November 2014

Report of the Chairperson of the Board of Governors  
H.E. Ms. Margarita Popova  
(Vice President of the Republic of Bulgaria)  
20 November 2014

CHECK AGAINST DELIVERY

Mr. President,  
Your Excellencies,  
Ladies and Gentlemen,

It is an honour for me to be here with you today at this third session of the International Anti-Corruption Academy's (IACA) Assembly of Parties. The high level of participation underscores the global importance of the anti-corruption agenda and the pivotal mission of this unique organization.

I would like to congratulate the outgoing Presidency of the Assembly of Parties on its achievements and assure the new Bureau of the Board of Governors' full and lasting commitment.

Also a warm and sincere welcome to the ten new States Parties which have joined IACA through ratification or accession since the last Assembly: Argentina, Armenia, Botswana, Cambodia, the People's Republic of China, Finland, Greece, Kazakhstan, Malawi, and Mozambique.

I commend the initiative of the government of the Republic of Azerbaijan, whose generous support has allowed this third session of the Assembly to take place in Baku. Thank you for hosting us and for your hospitality.

The Dean and his team deserve special credit for their untiring efforts to implement the Work Programme and strengthen IACA's global recognition, despite extensive financial and resource constraints. Thank you Martin, for your outstanding diplomatic and managerial skills and for your unwavering and able leadership. Thank you to your staff, for staying true and fully committed to this organization. Thank you for all your efforts to bring IACA to the level where it can be recognized as *the* centre of excellence and empowerment in anti-corruption across the globe.

Much work still lies ahead in living up to our own commitments that we made in Vienna and Bangkok over the past two years. Ensuring that our member-owned organization has the capacity to fulfill its mandate is a responsibility that rests on all our shoulders.

Mr. President, your Excellencies, Ladies and Gentlemen, we have given birth to this organization. Like a newborn child that needs care and nurture in order to further develop, IACA needs our support to continue growing and being globally recognized. For this, a sustainable source of funding must be secured. We created IACA, we adopted its programme of work until 2016, and we jointly agreed on a most reasonable budget to execute it. I need not remind you that we have by far not met the financial requirements for 2014, thereby

putting the organization's mission to a severe test and jeopardizing its Work Programme and credibility. Political support and momentum have only taken us so far, but without ownership – financial ownership – we have a stalemate. IACA needs us now more than ever.

Having said that, in my capacity as Chairperson of the Board of Governors, I would like to continue by presenting this session with the Board's report, pursuant to Article VI (2) i of the *Agreement for the Establishment of the International Anti-Corruption Academy as an International Organization*, on its work as well as the progress of the Academy's activities. The period between the second and third sessions of the Assembly of Parties is covered, from December 2013 to present.

## **I. Major Undertakings of the Board of Governors**

The efforts of the Board of Governors over the past year have largely concentrated on the implementation of the *Work Programme 2014 – 2016 and Budget 2014 sequ.*, unanimously adopted by the Assembly in Bangkok last December.

Altogether, the Board convened for three meetings; in March, June, and September 2014. Regrettably, one of our Board members did not attend any meetings for nearly a year and a half nor respond to any of the matters we discussed. As a result, we were not able to draw on his expertise on the reflections and decisions I am about to share with you. Due to a lack of quorum, our March and June meetings therefore led to informal discussions, without the possibility for formal decision-making, but nevertheless providing room for intensive deliberations on the agenda items and other matters related to the future of our organization.

Voluntary contributions being a key element of ensuring a stable financial foundation, we have appealed to states and other stakeholders to financially support the mission of the Academy. We have explored alternative ways of funding, in line with Strategic Objective Four of the Work Programme – Ensuring Financial Ownership and Participation, Stability and Sustainability. These include possibilities for endowed professorships, joint donor conferences, modalities for drawing funds on the basis of the “let crime pay” principle, also exemplified in the UNCAC, as well as offering a clearing and facilitating position in guiding penalties and settlements.

Owing to unswerving support from the host country, Austria, we have also had the opportunity to come together with our colleagues from the International Senior Advisory Board (ISAB), and the International Academic Advisory Board (IAAB) in June, in particular to discuss these and other alternative ways of funding. A comprehensive statement in this

respect has been prepared by the International Senior Advisory Board and circulated to you by the Secretariat in preparation for this Assembly session.

To give you a brief synopsis, the statement is based on the resolutions adopted by the Assembly and strongly supports translating alternative ways of funding – stipulated under Strategic Objective Four – into reality. Other proposed modalities of generating financial support include, among others, negotiations on a fundraising scheme at this and future sessions, hiring a fundraising company, as well as expanding the branding programme through initiatives such as the creation of an Anti-Corruption Disaster Assistance capacity at IACA. The latter would serve to help requesting states and other donors ensure that their disaster relief funding is exclusively used for the intended purposes and in line with the highest compliance and anti-corruption requirements. Trainings and special events for senior decision-makers and corporate leaders are among the other proposals listed. I encourage you to discuss this statement and facilitate the implementation of suitable proposals.

It is no secret that the fulfilment of the general budget, unanimously adopted in Bangkok last year, is in need of the Assembly's urgent attention. I cannot stress enough that the Academy's mandate, credibility, and legitimacy are contingent on it. During the Board of Governors' most recent meeting in September, we discussed and approved the Budget for 2015 which gives an overview of the financial sums needed in order for IACA to sustain and safeguard its operations. The amounts contained are based on those from last year, adjusted by an inflation factor of 2%. In line with Article V (3) b of the IACA Agreement, I encourage this session of the Assembly to formally adopt the budget.

At the same meeting, the Board unanimously approved the statement of the independent auditor, covering the audit period from 1 January to 31 December 2013. The statement found that IACA's financial report was prepared in all material respects, that IACA successfully complied with the rules for record keeping and accounts, and that no exceptions or weaknesses on accounting, record keeping, and documentation requirements were identified. The audit was carried out by the same independent auditor that had been responsible for the successful review of the 2012 accounts.

Pursuant to the *Resolution Amending the Resolution on the Independent External Audit*, unanimously adopted in Bangkok last year, the Board of Governors appointed Mr. Hans-Georg Kramer from Austria by consensus in September to serve as one of IACA's three independent external auditors. Please recall that Mr. Konstantin A. Mikhailik from the Russian Federation was appointed by consensus last year, in accordance with the *Resolution on the Independent External Audit*. With two external auditors, the Academy is one individual short of complying with the provisions of the audit resolution, which requires three external

auditors to act as a collegial function. In this respect, I would like to reiterate the call to volunteering Parties to nominate candidates and inform IACA's secretariat as soon as possible.

In closing this item, I regret to inform you that Ms. Cecilia Villanueva Bracho from Mexico resigned from the Board of Governors on 12 September 2014 due to mounting obligations associated with her new posting overseas. Ms. Bracho was most actively involved in the work of the Board from the very start, having demonstrated outstanding commitment throughout. As a result, at least one place in the Board of Governors is open for election. In view of equitable geographical distribution, I would particularly encourage the African Group to present candidates as we currently have no representatives from this group in the Board. Although elected in their personal capacities, nominating Parties are encouraged to support their candidates in complying with the requirements that come along with that senior and prestigious function.

## **II. The Progress of the Activities of the Academy**

Allow me to also use this occasion to inform you on the progress of IACA's activities since the last session of the Assembly of Parties. The Dean and his small team have devoted countless hours and work to promote IACA's mandate, seek appropriate funding, develop and implement technical assistance and capacity building programmes, serve the constituency, promote international cooperation, establish cooperative relationships, and – most importantly – deliver trainings, programmes, and services to professionals from more 100 countries.

Overall, the Academy continues to enjoy broad global recognition and benefit from the richness and fabric of its growing constituency and global alumni community.

Shortly after the second session of the Assembly of Parties, it was granted observer status with the United Nations General Assembly through Resolution 68/122 of 16 December 2013. The motion to grant the Academy this status was tabled by the host country, Austria, and supported by 45 other United Nations Member States. I would like to thank all constituency members for their support on this matter.

As I mentioned earlier, ten countries have joined the Academy as Parties since the last session of the Assembly. Argentina, Greece, and Mozambique ratified the IACA Agreement while Armenia, Botswana, Cambodia, the People's Republic of China, Finland, Kazakhstan, and Malawi acceded to it. This brings the constituency to an astounding 60 Parties and 53

Signatories, encompassing a population close to 5 billion people; almost two thirds of the total world estimate.

To add to that, new partnership agreements have been concluded over the past year, and approved by the Board of Governors pursuant to Article VI (2) m of the IACA Agreement. These include Memoranda of Understanding with the Organisation for Economic Co-Operation and Development (OECD) and the Institute of Legislation and Comparative Law under the Government of the Russian Federation. Furthermore, the Memorandum of Understanding on Technical Cooperation with the National Anti-Corruption Commission (NACC) of Thailand has been formally renewed for another four years.

In line with Part A of the Work Programme 2014 - 2016, the Dean and his staff have diligently worked to strengthen and augment programmes and activities. Apart from regular technical assistance, they have also developed a number of new anti-corruption trainings, both standardized (open) and tailor-made. They have, moreover, continued to organize capacity building programmes and multi-stakeholder conferences on thematic issues with IACA's partners. Without going into too much detail, I would also like to mention that the Master of Anti-Corruption Studies (MACS) entered its second cycle in October. I will leave it to the Dean to share information on these and many more achievements with you.

### **III. Concluding Remarks**

Mr. President, Your Excellencies, Ladies and Gentlemen, IACA has made significant progress over the past few years. As my colleagues from the International Senior Advisory Board put "it has been nothing short of remarkable". The first session of the Assembly in 2012 marked the official end of its transition phase, witnessed the establishment of organs, and laid institutional foundations for years to come. The second session in 2013 most notably resulted in the unanimous adoption of the comprehensive Work Programme 2014 - 2016.

Now the time has come to truly focus on financial resources if we want to continue along this path and ensure the organization's overall credibility. Several resolutions have recognized the strong need to strengthen IACA's finances and strongly encourage all Parties to support the provision of a suitably well-funded general budget allocation. The fact that the Academy's mission, mandate, integrity, and credibility are contingent on a stable financial foundation is an understatement.

IACA is more than just another project that produces papers and studies, which can easily be put aside and locked inside some drawer. IACA empowers human beings - professionals, practitioners, students - all over the world.

Take a look around. Reflect on recent global developments – increasing security threats, flourishing organized crime, human trafficking, illicit drug flows, violent extremism and international terrorism, money laundering, environmental damage, etc. All these phenomena have one thing in common – they are facilitated by corruption. There is so much that IACA can do to combat these and other threats, and the demand for its services will continue to grow. But without stable and predictable financial foundation, how can it carry out its pivotal mandate? How can it continue to empower societies?

In light of the financial crisis, we know that contributions are not an easy task for many Member States, but if we continue at this rate, the Academy will face severe financial consequences in the next few months. And what should we do then? Call it quits? Turn our back to the more than 5 billion people that we already account to and tell them that there is simply no place for empowerment against corruption? This is not what we signed up for, Ladies and Gentlemen. With such an important task before us and such a strong constituency, we cannot afford to fail. We cannot deal with a budget insufficient for the accomplishment of our Work Programme objectives.

If I may again quote the International Senior Advisory Board, “a modest membership contribution, in whatsoever way, would ensure a steady source of income and some degree of financial security for the organization.” Let us devote this session to finding solutions, pledging contributions to the organization’s general budget, and translating political momentum into full ownership.

Mr. President, Ladies and Gentlemen, in concluding, I extend my gratitude to all of you for your support, and especially to the Dean and his staff who have achieved so much with limited resources. Also a big thank you to the whole constituency; to states, private sector entities, business corporations, and other donors that have financially supported IACA. Thank you to states that have facilitated the participation of Board of Governors members at meetings, to states sponsoring other meetings and initiatives, and last but not least, to my distinguished colleagues in the Board of Governors and the two Advisory Boards.

Thank you for your attention.