

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

Vienna, Austria  
9 - 11 December 2015

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

10 December 2015

CHECK AGAINST DELIVERY

Mr. President,  
Your Excellencies,  
Ladies and Gentlemen,

I am honoured to be here with you today at this fourth session of the International Anti-Corruption Academy's (IACA) Assembly of Parties and present the Board of Governors' report.

I cannot help but mention at the very outset, that this Assembly is marked by the concerns of the present day. We shall not watch from the sidelines and remain indifferent to the wars, poverty and suffering of millions of people all over the world – including children, women, and the elderly. Precisely our Academy is best suited to promote efforts and empower societies to consistently and efficiently counteract corruption, which is the source of all evil.

First and foremost, I would like to congratulate the outgoing Presidency of the Assembly on its achievements and assure the new Bureau of the Board's full and lasting commitment. My warmest welcome extends to all distinguished delegates, particularly the six new States Parties that have joined IACA since the last session – Côte d'Ivoire, Georgia, Greece, Kuwait, Mali, and Kyrgyzstan.

In Bangkok in 2013 and Baku in 2014, I shared information on the Board of Governors' achievements as well as those of the Dean and Executive Secretary, Mr. Kreutner, and his staff. These were supported by the valuable expertise of the members of both the International Senior Advisory Board (ISAB) and International Academic Advisory Board (IAAB).

Within a short time, we witnessed the buildup of the Academy's legal and institutional basis, the elaboration of the Work Programme 2014-2016, as well as the preparation of budgets for the same period. Likewise, during the past three years, the Dean and his small team stepped up their untiring efforts to promote the Academy's activities and to implement technical assistance and capacity building programmes for close to a thousand professionals. They actively worked to further international cooperation and to set up partner relations with new entities and organizations.

Today we are back in the Austrian capital, where we first convened back in 2012 to mark the end of the transition phase of IACA's buildup. Thank you to the Dean and Executive Secretary and the secretariat for all your efforts in preparing this session, and for your hard work and dedication in strengthening the Academy's activities and global recognition.

Similar to my words in Bangkok in 2013 and Baku in 2014, today I would like to draw your attention to the necessity of a suitably well-funded general budget for IACA, on which its management, functions, reputation, and legitimacy depend.

Ladies and Gentlemen, dear colleagues,

We are all deeply concerned by the unfolding events of our times. Military conflicts are raging around the world and human lives are continuously lost to civil wars. We have become witnesses of grief, misery, and drastic infringements of human rights. Caravans of people are forced to leave their native lands in search of salvation from the violence, and hope for a better life. Our societies are fighting a multitude of crises, including those of ethical values. The efforts of corporations and elites, which desperately try to remain at the top through political populism and hypocrisy, are all in vain. At the bottom of all contemporary crises lies an overall, erosive corruption. Corruption destroys social systems, undermines states, and annihilates confidence in institutions and governments.

In its Resolution 29/11 of July 2015, the Human Rights Council of the United Nations General Assembly recognized the destructive impact of corruption on human rights, and appealed to us to make the fight against corruption our top priority. We at the Academy fully agree on the power of education and cooperation in the face of this disastrous evil.

We know that by addressing corruption, we can build more resilient, prosperous, and healthier societies. States are responsible for the consistent and persuasive support of competent national authorities and international organizations acting in the area of anti-corruption, and our Academy is one of these. States' support serves to help regain the shaken confidence in institutions and political systems. In this respect, contributions to the Academy's efforts, which have a significant preventive effect, go a long way. But we must act now and without undue delay. If we do not, we will continue wasting our national wealth, instead of preserving it for the next generations. We must support IACA so that it can continue to empower professionals and assist states and other stakeholders in strengthening their anti-corruption and compliance regimes.

The Work Programme 2014-2016 that we adopted in Bangkok, is our promise to our nations and the wider anti-corruption community that we will deliver on our commitments to prevent and fight corruption through education, training, technical assistance, and cooperation. It is a blueprint on how we can bolster IACA's activities to the benefit of society, with five strategic objectives and pillars for their implementation.

The Work Programme has reached full consensus and delivered several extraordinary results. The Academy has, among others, contributed to the adoption of Agenda 2030, rolled out three editions of the world's first Master programme in Anti-Corruption Studies (MACS), delivered an increasing number of standardized and tailor-made trainings that treat some of the most corruption prone areas, strengthened partnerships with dozens of key international players and organized joint capacity-building events, initiated a research platform, and augmented its in-house faculty, to name just a few.

Unfortunately, the Work Programme is still not fully implemented. Its full implementation requires sufficient resources, and IACA's last two general budgets never received 90% of the funding that was unanimously agreed upon. In other words, IACA Parties met the budgets for 2014 and 2015 by less than 10%. This is simply unacceptable. Shared ownership, including financial ownership, is our collective responsibility.

In this context, let me commend and thank those Members States that have contributed to IACA's general budget recently: Austria, Azerbaijan, Hungary, Indonesia, Liechtenstein, Malaysia, Mongolia, Romania, the Russian Federation, Thailand, and Philippines. Nigeria as well pledged financial support. I also extend my gratitude to Nigeria, the Republic of Korea, and Austria for supporting IACA with seconded staff. The Russian Federation has also promised to provide support through staff.

Ladies and Gentlemen, it is no secret that the Academy is in urgent need of a suitably well-defined general budget allocation to continue its daily operations, expand and reinforce its services. We have 12 months to go before the Work Programme expires. If we wait too long, the window of opportunity will quickly close.

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

In my capacity as Chairperson of the Board of Governors, I would like to update you on the Board's major undertakings since the last session of the Assembly of Parties in Baku in November 2014.

Our efforts over the past year have largely concentrated on the implementation of the Work Programme 2014-2016 and strengthening efforts to secure voluntary contributions as well as alternative ways of funding. We convened for two meetings in 2015 – in March and in October.

In March, we appointed – based on proposals from volunteering Parties – three independent external auditors to review the Academy's finances for 2014, acting as a collegial function,

in line with the *Resolution on the Independent External Audit of IACA*. Mr. Hans-Georg Krammer from Austria was appointed by consensus for a one-year term, Mr. Konstantin A. Mikhailik from the Russian Federation for a two-year term, and Mr. Amri Lewa from Indonesia for a three-year term. Let me thank these three Parties for their support and commitment.

Unfortunately, due to Mr. Mikhailik's unavailability as well as that of his proposed substitute, the Academy had to contract an independent external company to verify its accounts. Consequently, *Deloitte Audit Wirtschaftsprüfungs GmbH* carried out this work and found the Academy's finances for 2014 to be in compliance with the relevant requirements and regulations. In October, the Board of Governors approved Deloitte's report on factual findings to the financial statements as of 31 December 2014, in line with Article VI (2) h of the IACA Agreement.

On this note, I would like to call on volunteering Parties to nominate candidates from senior members of Supreme Audit institutions or other suitable institutions for the independent external audit of IACA, and inform the secretariat as soon as possible. While Mr. Amri Lewa's term continues through 2016, that of Mr. Krammer would expire with the examination of the financial year 2014. Hence, there are two vacancies to fill in order to comply with the *Resolution on the Independent External Audit of IACA*. Thank you to the Russian Federation, who has already put forward a nomination for a new candidate, coming from the Inspection in the Accounts Chamber of the Russian Federation. Again, other volunteering Parties are invited to follow suit.

In October, the Board of Governors also considered the proposal for the 2016 Budget, which gives an overview of the financial sums needed in order for IACA to sustain and further its operations. All amounts contained are based on the budgets of previous years, adjusted by a 2% inflation factor. Allow me to remind you that the actual general budget provision for the last two years, to a high extent, did not meet the requirements as set in previous budgets. In line with Article V (3) b, I encourage this Assembly session to adopt the Budget 2016, and more importantly, to fulfill it.

Furthermore, pursuant to Resolution AOP-3-Res-4, paragraph 4, unanimously adopted in Baku last year, the Board of Governors and the Dean prepared a proposal on Additional Alternative Ways of Funding, further to those stipulated under Strategic Objective Four of the Work Programme. Let me briefly remind you of them:

- The establishment of a Member State owned Open-ended Working Group on Additional Resources;

- The establishment of (an) Endowment Fund(s) in order to, e.g., support specific, e.g., research projects;
- Support IACA's Scholarship Fund;
- Support and promote, in like-wise cases, the Settlement Model as was first established by relevant authorities in the case of the Siemens Integrity Initiative;
- Invite and encourage Member States to support Joint Projects of IACA with the United Nations Office on Drugs and Crime (UNODC).

The document was circulated to you ahead of this session and I hope that you had sufficient time to consider it.

The Board also adopted a policy on strengthening cooperation with Memoranda of Understanding partners, pursuant to Strategic Objective Five of the Work Programme.

Distinguished delegates,

With this Assembly, the three-year terms in office of several Board members will come to an end. I would thus like to use this opportunity to bid farewell to my dear colleagues whose terms in the Board of Governors expire – Ms. Young Ran Kim from the Republic of Korea, Mr. Mordechai Kremnitzer from Israel, Mr. Daniel Marius Morar from Romania, and Mr. Pakdee Pothisiri from Thailand. It has been an honour to work with you over the past three years. From the bottom of my heart, thank you for all your efforts, valuable contributions, professionalism, and the results we achieved both as a team and as an organ of the Academy in bringing it forward. You will be greatly missed, institutionally and privately. The term in office for Mr. Jorge Juan de Dios Fernández Tapia from the Plurinational State of Bolivia also ends. Unfortunately, in the three years that he was in office, he was not able to attend the vast majority of our meetings and discussions. I wish him good health and professional satisfaction in all his endeavours.

Esteemed delegates, altogether six posts in the Board of Governors are up for election at this Assembly session. Allow me to remind you that in line with Article VI of the IACA Agreement, all members in the Board serve in their individual capacity. In view of the election scheduled, I strongly advise you to take candidates' qualifications, seniority, experience, as well as the principle of geographical distribution into highest consideration.

In line with Resolution AOP1-Res-2, I would particularly encourage the African Group to present candidates as we have had no representatives from this group in the Board.

Although elected in their personal capacity, nominating Parties are encouraged to support their candidates in complying with the requirements that come along with this prestigious function.

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

Allow me to also take a few moments to briefly update you on the Academy's activities over the past year. The Dean and Executive Secretary and his team deserve special credit for making such remarkable progress, amid continued financial and resource constraints.

Just a few weeks ago, the Academy participated at the sixth session of the Conference of the States Parties (COSP) to the United Nations Convention against Corruption (UNCAC). Apart from contributing to the high-level plenary, substantive agenda items, and workshops, IACA co-sponsored a high-level side event with UNODC on the implementation of the Sustainable Development Goals (SDGs) and held a side-event on how its programmes and activities facilitate the implementation of the UNCAC. Over a hundred conference participants had the chance to hear firsthand from faculty, alumni, and students.

At the close of its sixth session, the COSP adopted a resolution on "Education and training in the context of anti-corruption", inviting States Parties to the Convention to consider capacity-building activities, specialized academic initiatives, and tools developed by major international stakeholders in the fight against corruption, and recognizing the important contribution of IACA in this context. States Parties also agreed to launch the second cycle of the Review Mechanism next year, focusing on corruption prevention and asset recovery.

In addition, through Resolution 29/11 of 2 July, the Human Rights Council of the United Nations General Assembly also noted with appreciation the capacity-building activities and specialized curricula developed by UNODC and IACA, respectively.

As I earlier mentioned, the IACA Agreement entered into force for five new states this year - Greece, Georgia, Kyrgyzstan, Kuwait, and Mali. Côte d'Ivoire acceded just a few weeks ago. As a result, the constituency currently stands at 65 Parties.

Partnership relations also grew since the last Assembly session, with three new Memoranda of Understanding signed - with the Bulgarian National Institute of Justice, the Central European Initiative, and the Qatari Rule of Law and Anti-Corruption Centre. The Board of Governors approved the establishment of these cooperative relationships in accordance with Article XIII of the IACA Agreement.

The Academy's dedication to addressing deficiencies in anti-corruption has remained at the top of its agenda. Just to point out two examples – in December 2014, the first intake of the Master in Anti-Corruption Studies (MACS) graduated, the second class is two modules and a thesis short of graduation, and the third group started their studies in October. Also, the first regional spinoff of the flagship Summer Academy was launched this year, and successfully took place in Buenos Aires, Argentina, focusing on Latin America.

Furthermore, the Academy secured earmarked funding from the Siemens Integrity Initiative and the Austrian Development Agency in December of last year. The Siemens Integrity initiative awarded IACA close to 5 million USD over four years. The Austrian Development Agency, on the other hand, granted the Academy 400,000 Euros for regional activities in East Africa next year.

I will leave it to the Dean and Executive Secretary to share more information on these and many other achievements with you.

### **III. Concluding Remarks**

Your Excellencies, I carry a message of urgency and hope and once again stress the need for the financial stabilization of our Academy through its general budget.

I deliver this statement on behalf of the Board of Governors, convinced that this Assembly session can make a concrete decision on securing funds for our institution.

Our Academy is at a difficult yet very important stage of its development - not only for itself but also for all of us who are deeply convinced that a better future is within reach through adequate measures to curb and counteract corruption. On the one hand, there is an increasing demand for the Academy's programmes and activities. They continue to attract broad global recognition from the highest international bodies and the global anti-corruption community. On the other hand, the Academy's hands are almost tied. It severely lacks adequate general budget allocations in order to further its initiatives, empower more professionals, and increase impact on communities around the world.

Only with a suitable general budget, which serves as the Academy's main financial resource, can it maintain its daily operations, expand its constituency, establish a research platform, provide trainings and other activities of the highest quality, and attract the best qualified faculty members. We are just a few weeks away from 2016 – the last year of the Work Programme, which we unanimously agreed upon in Bangkok two years ago.



Several resolutions adopted by the Assembly of Parties have recognized the need to strengthen IACA's finances and strongly encourage Parties to support the general budget through voluntary contributions.

We cannot afford to waste more time. A general budget, fulfilled by less than 10% of what was unanimously agreed upon, is not going to get us anywhere. I need not remind you of the Academy's significant potential to "further contribute to the achievements of the Sustainable Development Goals of the United Nations Development Agenda beyond 2015", endorsed by the Assembly last year.

I, therefore, invite you to devote **this** session to resolving the Academy's financial situation and strengthen its capacities so that it can continue to fulfill its important mandate.

In closing, I would like to reiterate my sincerest gratitude to the Dean and Executive Secretary, the secretariat, and all of IACA's staff for their commitment and the most remarkable results they have brought forward despite frequent human resource and budgetary constraints. Thank you all for all the achievements!

In this context, it is my great pleasure to inform you that IACA's Dean and Executive Secretary, Mr. Kreutner, was recognized last December by *Ethisphere* (USA), as one of the *100 Most Influential People in Business Ethics* for his efforts to combat corruption with IACA as well as his efforts to improve human welfare worldwide through his work with the United Nations, Transparency International, and other global organizations.

On a final note, allow me to also extend my appreciation to this Assembly and express my sincere sentiment of gratitude and friendship to my colleagues from the Board of Governors. Thank you to the Advisory Boards, which convened just prior to this Assembly, and some of whose members are with us today so that we can contribute to the strengthening of the Academy together. On behalf of the Board of Governors, I pledge my full involvement at this Assembly session as well as my support and professional commitment to this prestigious organization. I invite you all to do the same.