



INTERNATIONAL
ANTI-CORRUPTION
ACADEMY

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

Vienna, Austria
10 – 11 November 2016

Report of the Chairperson of the Board of Governors
Mr. Eduardo Vetere

10 November 2016

CHECK AGAINST DELIVERY

Mr. President,
Your Excellencies,
Ladies and Gentlemen,

It is an honour to be here with you in Vienna today at this fifth session of the Assembly of Parties of the International Anti-Corruption Academy (IACA) and, in accordance with a well-established tradition, to present the Board of Governors' report.

Let me begin by expressing my congratulations to you, Mr. President, and all the members of the new Bureau as well as extending a very warm welcome to all the distinguished delegates attending this session.

This is my first report to the Assembly since my election as Chairperson of IACA's Board of Governors in March of this year. It is an honour and a privilege to serve in this position and in so doing, to continue to contribute to the global fight against corruption – a vital struggle to which many of us here today have been devoting our professional lives.

On this occasion, I feel I have the duty to express my most sincere gratitude and appreciation to my esteemed predecessor and colleague, H.E. Ms. Margarita Popova for her tireless efforts, leadership, and dedication to the Academy, as the first Chairperson of the Board from 2012 to 2016. IACA has been extremely fortunate to have been led by your vision and guidance during its early years and, of course, it continues to benefit immensely from your insights, as a member of the Board.

I should also thank all my colleagues on the Board for their support, professionalism, and commitment, as well as our friends and colleagues of the IACA International Senior Advisory Board (ISAB) and International Academic Advisory Board (IAAB) for their expertise and advice.

Last but not least, special thanks are due to the Dean and Executive Secretary with his secretariat for all the hard work accomplished in preparing this session, as well as for the continuing efforts throughout the year in developing and expanding IACA's activities, thus extending its global recognition.

Ladies and Gentlemen,

I was elected as Chairperson of the Board of Governors the day before IACA celebrated its fifth anniversary on 8 March 2016. As the Dean and Executive Secretary observed in his opening

statement earlier, in that short space of time IACA has managed to achieve extremely important goals, of which it can be justifiably proud.

As you are well aware, the Academy has introduced numerous innovative, world-class programmes and trainings, including the Master in Anti-Corruption Studies (MACS), engaging leading professors and practitioners from around the world, and thus empowering anti-corruption and compliance professionals from more than 140 countries.

In addition, IACA also has been able to build up a constantly expanding global constituency, with a large and growing number of partner institutions around the world, receiving explicit tributes in relevant United Nations and other international fora.

As you also know, the Academy has managed to do all this with extremely limited human and financial resources, making its achievements even more impressive and praiseworthy. However, distinguished delegates: IACA is now at an extremely critical point in its development. It simply cannot continue to fulfil its mandate with the current level of resources, particularly the shortfall in its general budget allocations.

In this connection, allow me to recall that this forum unanimously adopted IACA's last three general budgets, for 2014, 2015, and 2016, but the Academy received less than 10% of the funding that Parties agreed upon, let me repeat it, less than 10%.

I would like to thank those Member States that have contributed to IACA's general budget since the last session of the Assembly: Austria, Azerbaijan, Chile, Hungary, Kazakhstan, Liechtenstein, Malaysia, Mongolia, Romania, and the Russian Federation. I would also like to express my gratitude to Austria, Nigeria, the Republic of Korea, and Romania for supporting IACA with seconded staff.

This 90% shortfall in general budget financing is alarming and hardly acceptable. It means that IACA's current Work Programme for 2014 – 2016, which expires at the end of this year, cannot and will not be fully implemented. And, if this enormous gap persists, IACA not only will not be able to maintain its current level of activities, but will also be prevented from further expanding them in the future to meet the strong increase in demand for its capacity-building services from across the globe.

Failure to take concrete steps now in trying to address and solve IACA's critical financial situation will pose a direct threat to the Academy's future, thus jeopardizing the original expectations of its founders and supporters.

Distinguished delegates, IACA is a member-owned organization, and shared ownership, including financial ownership, is our collective responsibility. So our deliberations at this Assembly, and the actions that I very much hope will follow, are absolutely crucial for the future of the organization.

Putting IACA's finances on a more stable and sustainable footing, while ensuring the implementation of the Work Programme 2014 – 2016, were the central themes of the three meetings of the Board of Governors this year, respectively in March, May, and September.

In this connection, let me recall that, based on a decision during the Board's meeting in March, all Member States plus additional relevant stakeholders were approached via formal letter and informed about IACA's difficult financial situation, with an urgent request for financial support. In addition, the Board, following the suggestions of IACA's two Advisory Boards, recommended the convening of a special session of the Assembly to discuss the issue of stable and sustainable financial resources for the Academy.

Although a clear majority of the responses received, 69%, supported the convening of a special session, the proposal did not fly because the voting quorum was not met.

So I would like to urge you to devote this session to consider and explore all viable options for putting IACA's general budget on a more sustainable footing. In this context, the Board fully supports the draft Resolution on shared ownership and financial stability and sustainability of the Academy's general budget allocation.

In addition, following the Board's proposal, the Extended Bureau of the fourth session of the Assembly agreed, at its meeting on 10 October, to focus the attention of this Assembly on an in-depth discussion regarding the preparation of the next Work Programme. The Secretariat has distributed a short questionnaire to IACA's Parties seeking concrete proposals and relevant substance areas with a view to developing the next general budget in parallel to and in coordination with the next Work Programme. Accordingly, your views and suggestions will be most welcome.

Distinguished delegates, IACA's finances are subject to several layers of scrutiny, including an independent external audit carried out this year by a team of three independent senior auditors in line with the Resolution on the Independent External Audit of IACA. In March 2015 the auditor nominated by Indonesia was appointed by the Board for a three-year term, and in March of this year the Board filled the two vacant posts by appointing nominees from Pakistan and the Russian Federation.

At its last meeting in September the Board reviewed the report of the independent external audit of IACA's financial statements for 2015, which was carried out by this three-member team, formally approving the annual audited statement of the Academy's accounts for 2015.

I am pleased to inform you that the report of the independent external auditors, confirmed by its findings and observations, clearly states that no misstatement of accounts or embezzlement was observed. I would like to express the appreciation of the Board to the auditors for their work, and also extend our thanks to the volunteering Parties which nominated the candidates – Indonesia, Pakistan, and the Russian Federation – for their support and commitment.

I am also happy to inform you that the Board decided unanimously at its September meeting to renew Mr. Martin Kreutner's appointment as the Dean of IACA for a further period of four years, fully acknowledging and appreciating Mr. Kreutner's hard work and leadership, ever since the idea of IACA was first raised in 2005. In 2015 he was recognized by Ethisphere for the second consecutive year 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 UN, Transparency International, and other global organizations.

He and his small, committed, and devoted team at IACA have built up the Academy's legal and institutional basis, elaborated and effectively implemented the Work Programme 2014 – 2016, developed a global constituency, and – above all – established a sound and comprehensive international high-level academic programme for empowering anti-corruption and compliance professionals around the world.

These are remarkable achievements, and I look forward to continuing our excellent working relationship, as IACA hopefully continues to grow and widen its range of activities in the years to come.

But, ladies and gentlemen, it is my duty to conclude my statement by repeating that IACA is at a very critical juncture.

I therefore urge all Member States to seriously consider the challenge we are facing and, in a spirit of shared ownership, take concrete steps at this Assembly to ensure that IACA can continue to fulfil its important educational and capacity-building mandate.

On behalf of the Board of Governors, I pledge the wholehearted involvement of its members to this fifth session of the Assembly of Parties and wish you success in your deliberations.

Thank you for your attention.