



UNITED NATIONS
Office on Drugs and Crime

**Report on the Sixth Meeting
of the
International Group for Anti-Corruption
Coordination (IGAC)**

Brussels, 30 September – 1 October 2004
<http://www.igac.net>

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A. BACKGROUND

1. The 6th Meeting of the International Group for Anti-Corruption Coordination (IGAC) was held at the European Anti-Fraud Office (OLAF) in Brussels, Belgium on 30 September – 1 October 2004. Originally the initiative was launched by Ms Louise Fréchette, United Nations Deputy Secretary-General, who convened two meetings in New York in late 2001 calling for enhanced collaboration and coordination of anti-corruption efforts within the United Nations. Following this call, the group convened its first meeting under the auspices of UNODC in February 2002, and has been meeting regularly every six months ever since. The reports of prior meetings can be found on IGAC's webpage at <http://www.igac.net>

B. OBJECTIVES

2. The objective of the 6th meeting was to explore measures to prevent and control corruption in international organizations. The theme was selected in view of the recent focus taken by the Chief Executive Board of the United Nations (CEB) on curbing transnational crime, including corruption. Among others, the CEB recommended to “review existing rules and practices concerning the delivery of technical cooperation including through procurement, with a view to preventing leakage of funds”. UNODC, as the Secretariat of IGAC, brought this recommendation to the attention of IGAC. Hence, IGAC reviewed the measures currently being applied by the various participating organizations to manage internal integrity with a view to prevent, detect and sanction corruption and related practices. The agenda of the meeting is contained in Annex 1.

C. PARTICIPATION

3. Several organizations participated in the meeting. The list of participants is contained in Annex 2. For the first time the meeting was attended by the Office of the United Nations High Commissioner for Refugees, the African Development Bank and the U4 Utstein Anti-corruption Resource Center.

D. DISCUSSIONS

4. The participants were welcomed by the Director of OLAF, Mr. Franz-Hermann Brüner. The meeting was chaired by Mr. Mark Gough, UN Office for Internal Oversight Services (OIOS).

I. Benchmarking and monitoring organizational integrity

5. Mr. Mark Gough, OIOS, presented the findings of the recently conducted first Organizational Integrity Survey within the UN, drawing a sobering picture of staff's perceptions of integrity, their trust in the system, and job satisfaction. The group also reviewed the online organizational integrity training, which has been developed by UNODC in response to the findings of the organizational integrity survey. Participants agreed that agencies should on a regular basis conduct such assessments. Findings should

be used for benchmarking and action planning. No agreement could be reached, whether it was possible and desirable to use survey results for comparing the performance of various organizations, and as a basis for the formulation of performance targets. Several participants requested to share Mr. Gough's presentation on the UN's first Organizational Integrity Survey through the IGAC Secretariat. The complete results of the survey can be found at <http://www.un.org/News/oss/sg/integritysurvey.pdf>.

II. Ethics Training

6. Mr. Howard Whitton, Organization for Economic Cooperation and Development (OECD), briefed participants on the key principles for the development and conduct of organizational ethics training. Participants agreed that ethics training is key to making internal standards work. Ethics training should not be limited to educating staff about the existence and content of rules and regulations but rather on their underlying rationale as well as on building ethical competence of staff with a view to enhancing professionalism, including the capacity to recognize and resolve ethical dilemmas arising in the daily work. Ethics training should be part of staff induction and be made mandatory. The intensity of the training should depend on the level of decision-making powers vested in the respective categories of staff. It was also raised, that integrity and ethics should be mainstreamed into other professional training, e.g. on procurement, human resource management, etc. It should not remain a one-time exercise, but a continuous effort and funding priority.

7. Mr. Lee Marler, European Bank for Development and Reconstruction (EBRD), reported on the experiences made in implementing ethics training programmes in the EBRD. The one-day course for managers and half-day course for other staff were mandatory, and despite initial reluctance to participate, in particular by managers, the courses had been well accepted, and all staff evaluated the outcome of the training positively. For a variety of reasons, instead of organizing a training of trainers, selected among staff, it was thought more appropriate for the training course to be delivered by the consultants who had developed the programme. Participants agreed that there should be regular refresher training through e-learning programmes. Mr. Maarten L. J. de Jong, World Bank, further reported that, in the World Bank, where similar training had been conducted already for some time, the positive impact of the training was illustrated by a subsequently rising number of complaints. This confirmed the increased ethical competence of staff in recognizing and responding to situations posing challenges to the integrity of the organization or the individual. Hence, participants agreed that any organization launching ethics training should, in parallel, prepare its internal integrity mechanisms to face a substantial increase in the number of allegations of misconduct reported and requiring investigation.

III. Standards, staff rules and codes of professional ethics

8. Several participants reported that staff regulations and rules were often too cumbersome for the consummation by staff. Therefore, the development of specific codes of conduct, including guides for their practical application should be considered –

UNHCR developed a code of conduct for its staff in October 2002 and, in the course of 2003, undertook a dissemination campaign including facilitation sessions with all its staff members. While there is no one-fits-all model for the elaboration of standards of ethical behavior, some principles emerge including the broad involvement of stakeholders in the development of the standards, the translation of the standards into a service charter available to staff and clients and the clarity of concepts and rules. Moreover, surveys, focus groups and similar assessment tools can be used to identify organizational cultures and sub-cultures, based on which regulations and rules should be elaborated.

9. In terms of applicable standards the group also discussed the desirability of the participating agencies, through their top-management, expressing, as appropriate, their commitment to the principles enshrined in the UN Convention against Corruption, as well as other relevant standards, such as those on anti-money laundering of the FATF (e.g. “know your customer” rules) and those for the banking sector elaborated by Basel Committee.¹ International organizations, although they are different by nature from States and domestic administrations, are susceptible to similar problems when it comes to corruption in its various forms. Therefore, anti-corruption and related standards which have been adopted under the aegis of international organizations should be recognized as guiding also internal policies.

10. Participants agreed that a functioning internal integrity framework implied that standards and rules are clear, user friendly and fit the organizational and operational context. Codes of conduct are essential in this regard, as they raise the awareness of staff about their rights and obligations as well as potential ethical dilemmas. Moreover, senior managers’ commitment to the code of conduct should be made a constant priority and core managerial competence.

IV. Reporting

10. As the UN Organizational Integrity Survey had demonstrated low trust level among staff including a wide-spread fear of retaliation, are important obstacles for the reporting of cases of corruption and other misbehavior. Hence, international organizations should encourage a culture of reporting corruption. Participants agreed that reporting of misbehavior should be made obligatory and senior staff must role-model the right behavior in this regard. In one organization it had proven useful for the respective internal integrity department to accept anonymous complaints, while reporting hotlines had been installed with varying success. It was also underlined that strict regulations on confidentiality can result in a working culture discouraging the reporting of suspicions of

¹ The Basel Committee was established at the end of 1974 comprising of members from Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Spain, Sweden, Switzerland, United Kingdom and United States. Countries are represented by their central bank and also by the authority with formal responsibility for the prudential supervision of banking business where this is not the central bank.. The Committee formulates broad supervisory standards and guidelines and recommends statements of best practice in the expectation that individual authorities will take steps to implement them through detailed arrangements - statutory or otherwise - which are best suited to their own national systems.

corruption. Therefore, the introduction of a reporting duty may need to be complemented by a review of these rules.

11. The protection of whistleblowers was recognized as a central element to soliciting reports on corruption and related misconduct. In many cases it may suffice to make staff aware of the protection mechanisms already in place. In one organization low trust levels had been overcome through the introduction of staff-elected persons who staff could turn to for advice on ethical challenges as well as a confidential assessment of complaints and possible action. Detailed policy recommendations on whistleblower protection will be elaborated by the next International Investigators Conference.

V. Investigations and Sanctions

13. Mr. Paul Lachal Roberts, European Anti-Fraud Office (OLAF), elaborated on multi-agency investigations and the challenges involved herein. Problems arise from the differences in investigative powers, mandates, and the rights of suspects as well as the independence of the investigations, enshrined in the statutes of most of the internal integrity bodies. However, the experiences of OLAF working in joint investigations, both with the World Bank and OIOS, had proven that these problems can be overcome. He also drew the participants' attention to article 49 of the United Nations Convention against Corruption as a possible model for the conduct of joint investigations of international organizations. He, furthermore, raised the difficulties in exchanging information relevant, both to the investigation as well as the prevention of corrupt practices. The meeting recommended, therefore, forming a working group to take stock and, where appropriate, advise on the revision of confidentiality rules with a view to organize and streamline the information exchange across organizations, including risk analysis, investigations and sanctions.

14. After a short overview of the volume and types of operations of the World Bank, Mr. Maarten L. J. de Jong, World Bank, presented the Bank's Sanction Reform Programme. This includes the temporary or permanent debarment of individuals and companies, the suspension of loans to governments, the public announcement of such sanctions, and the use of voluntary disclosures as mitigating factor in the sanctioning process. In view of the latter, he emphasized the difficulties for companies to come forward with relevant information, in particular when they were involved in corrupt deals. Not only did they risk debarment and criminal prosecution but also retaliation against their staff within the concerned countries. He stressed the importance of a coordinated approach to sanctioning across international organizations, in particular in cases involving joint projects funded by several organizations. Furthermore, he raised the importance of sanctioning boards including outsiders in order to ensure the credibility and transparency of the sanctioning process.

VI. Internal and external communication strategies

15. The group concurred that pro-active communication strategies were needed. Decisions adopted by disciplinary bodies should be made known to staff in a timely

fashion in order to strengthen their trust in the internal justice system. Also, the outcome of investigations should be communicated in a transparent fashion. Internal integrity bodies should be empowered to share anonymous information on ongoing and concluded investigations when reporting to their respective governing bodies. Casework should also be used as a basis for regular feed-back on emerging trends and threats to top management to encourage necessary adjustments to the internal integrity measures and mechanism. Moreover, low-trust levels need to be addressed by managers through open and regular communication of problems and challenges facing the organization.

VII. Independence

16. Mr. Alfred Zebi, African Development Bank, briefed participant on the planned set-up of an Anti-Fraud Unit within the African Development Bank as part of the Bank's overall governance and anti-corruption structure. In this context, participants agreed that the independence of the investigation was key to the success of such an unit. The unit should directly report to the head of agency and its board. Several internal integrity bodies that initially had not been granted full independence, had faced significant problems, and, as a result, their reporting structures were changed. It was further raised that the head of internal integrity bodies should be appointed for a specified period during which he or she cannot be removed unless found guilty of misconduct. Also, he or she should have the sole competence to open or close an investigation. Particularly detrimental to the independence of investigation are those cases where managers of operational departments have a say in the authorization of investigations. In this context, participants also discussed the desirability and feasibility of the creation of a multi-agency advisory panel to review the internal integrity strategies of the respective agencies as well as single cases of specific relevance. Several of the participating agencies offered to support the set up of the Anti-Fraud Unit through staff exchange and the sharing of experiences.

VIII. Progress in Ratification of the UN Convention against Corruption

17. Mr. Oliver Stolpe, United Nations Office on Drugs and Crime (UNODC), briefed participants on the status of the signing and ratification of the UN Convention against Corruption. Currently, the Convention has 112 signatories and 8 parties (as of December 2004 there are 114 signatories and 14 ratifications). Hence, within the first 10 months after the Signing Conference in Merida, the Convention has been ratified by significantly more Member States than it had been the case with the UN Convention against Transnational Organized Crime. He emphasized the importance of the Convention as a framework for international and regional organizations when assisting their respective member states in preventing and controlling corruption. In particular, he drew the participants' attention to the articles 62-64 of the Convention establishing a comprehensive structure for capacity building, training and other forms of technical assistance.

18. After providing an overview of the recent activities carried out by the European Commission in assisting member states in preventing and controlling corruption, Mr. Michael Vollprecht, European Commission, explained that while most EU member states already met the legislative requirements of the UN Convention against Corruption, none of them had yet ratified it. After the adoption of the Convention it had been increasingly difficult for the EU member states to establish common positions concerning further action, including ratification. This is also true for the signing of the Convention by the Commission itself, which continues to be blocked by one member state. He also drew the participants' attention to the AGIS program, a funding mechanism for initiatives in the sector of anti-corruption (http://europa.eu.int/comm/justice_home/funding/agis/funding_agis_en.htm).

IX. Other business

19. In line with its terms of reference, (see Report of the Fourth Meeting of IGAC, <http://www.igac.net/reports.html>), the group reviewed the work of IGAC, including the question whether, in view of the continuing inability of some organizations to participate, IGAC should be continued. Both long-standing members of the group as well as first time participants agreed that IGAC was needed as a platform for information exchange, coordination and cooperation in order to avoid undue duplication, ensure effective and efficient use of existing resources, and extract best practices and identify new approaches in the fight against corruption. It was, therefore, agreed that IGAC should continue its work.

20. In view of enhancing the effectiveness of IGAC, and dividing the workload more equally among all members, the Chair proposed some amendments to the terms of reference. More specifically, the Secretariat should be expanded to include UNODC, OIOS and, as an alternate, the agency who is hosting the respective meeting, while the functions of the Steering Committee should be carried out by the group as a whole. It was agreed that the Secretariat would revise the terms of reference along those lines and submit them to the group for comments and adoption at the next meeting of IGAC.

21. Upon proposal by OLAF, Mr. Maarten L. J. de Jong, Director of the Department for Institutional Integrity of the World Bank was elected unanimously as the new Chair of IGAC for two years.

E. RECOMMENDATIONS

22. Recommendations arising from the 6th meeting of IGAC:

Recommendation 1: While the UN Secretariat should provide overall guidance on organizational integrity, organizations within the UN family should be encouraged to adopt measures to prevent and control corruption in accordance with their own specific needs and priorities.

Recommendation 2: Integrity surveys should be undertaken and findings be used for action planning and benchmarking.

Recommendation 3: Ethics training should be provided to all staff at the commencement of employment and periodically thereafter.

Recommendation 4: A culture of reporting corruption and other misconduct should be promoted, through appropriate measures such as role-modeling, whistleblower protection, and reporting obligations for all staff.

Recommendation 5: The independence of investigations of corruption and other misconduct must be ensured; therefore it is desirable for investigative bodies within international organizations to directly report to the head of agency and their policy-making bodies.

Recommendation 6: Decisions adopted by disciplinary bodies should be made available to staff in a timely fashion.

Recommendation 7: International Organizations should engage in a peer review process of their internal integrity measures and mechanisms.

Recommendations 8: An IGAC working group will explore categories of information which may be shared, the impediments thereto, and solutions to the same.

Recommendations 9: International and regional organizations should consider pledging their commitment to the principles enshrined in the UN Convention against Corruption.

F. FOLLOW-UP

23. Members of IGAC will share, as appropriate, their respective ethics training materials through the Secretariat.

24. The next meeting of IGAC will be held in conjunction with the 11th UN Congress on Crime Prevention and Criminal Justice, 18-25 April 2005 in Bangkok, Thailand. The Asian Development Bank will co-host the event and act, together with OIOS and UNODC as the Secretariat. The African Development Bank, the Council of Europe and the World Bank offered to host future meetings.

25. In terms of themes for the next meeting proposals included (1) Anti-Corruption Agencies – successes and challenges, (2) Corruption – emerging threats and trends, (3) A critical review of international action against corruption. Mr. Yoshiro Baba, World Customs Organization, envisaged to present his organizations updated Integrity Action Plan for the year 2004/2005.

26. For the next meeting, the Secretariat should make a specific effort to involve the private sector and professional associations, as well as other networks pursuing increased coordination and cooperation in the field of anti-corruption, such as the Anti-Corruption Network for Transition Economies and the Global Integrity Alliance. The Secretariat should make the agenda more attractive in order to solicit a broader participation.

27. The Chair will establish the working group on information exchange. It will include the World Bank, OIOS, EBRD, OLAF and other organizations interested in participating (Recommendation 8). The Group will report its findings at the 7th meeting of IGAC.

28. The findings of the International Investigators Conference as well as the report of the 6th meeting of IGAC will be sent to Chief Executive Board of the UN.

F. ANNEX 1 - AGENDA

6th Meeting of the International Group for Anti-Corruption Coordination (IGAC)

Thursday, 30 September 2004

- Chair:** Mr. Mark Gough, Chief, Peacekeeping and Tribunals Investigations Unit, OIOS
- 9.00 - 9.15** Registration
- 9.15 - 9.30** **Welcoming Remarks:** Mr. Franz-Hermann Bruener, Director General, European Anti-Fraud Office (OLAF)
- 9.30 – 11.00** **Theme: Preventing and Controlling Corruption in International Organizations**
OIOS: The Organizational Integrity Initiative – Findings and Application of the Organisational Integrity Survey in the United Nations, Mr. Mark Gough, OIOS
OECD: Integrity Training, Mr. Howard Whitton, OECD
Discussion
- 11.00 – 11.30** Coffee and Tea Break
- 11.30 – 13.00** **Theme: Preventing and Controlling Corruption in International Organizations**
World Bank - Sanctions Reform Process, Mr. Maarten L.J.de Jong, Director, Department of Institutional Integrity, World Bank
AfDB - Combating Corruption - the AfDB perspective: Mr. Alfred Zebi, Senior Legal Counsel
Discussion
- 13.00 – 14.30** Lunch
- 14.30 – 15.30** **Theme: Preventing and Controlling Corruption in International Organizations**
OLAF – Multi-Agency Investigations, Mr. Paul Lachal Roberts, Head of Unit, European Anti-Fraud Office, OLAF.
Discussion
- 15.30 – 16.00** Coffee and Tea Break
- 16.00 – 17.00** **Theme: Preventing and Controlling Corruption in International Organizations**
EBRD’s efforts to tackle fraud and corruption, Mr. Lee Marler, Deputy Chief Compliance Officer, European Bank for Reconstruction and Development
Discussion

6th Meeting of the International Group for Anti-Corruption Coordination (IGAC)

Friday, 1 October 2004

- 9.30 – 10.30** **Theme: Implementing the United Nations Convention against Corruption**
- UNODC: Progress on Ratification of the Convention and Issues affecting IGAC**, Mr. Oliver Stolpe, UNODC
- EU: Signing the UN Convention against Corruption on behalf of the European Community**, (tbd) European Commission
- Discussions
- 10.30 – 11.00** Coffee and Tea Break
- 11.00 – 12.30** **Theme: Preventing and Controlling Corruption in International Organizations: Conclusions and Recommendations**
- 12.30 – 14.00** Lunch
- 14.00 – 15.30** **IGAC: Appraisal of past activities and the way forward**
- Has IGAC contributed to the coordination of anti-corruption efforts by its members
 - Interaction with other coordination mechanisms, such as the Global Integrity Alliance, Anti-Corruption Network, etc.
 - Adjustments, funding, and the way forward
 - Election of the Steering Committee Members and the Chair
- Discussion of Agenda for the 7th Meeting of the IGAC**
- Themes
 - Dates
 - Venue (e.g. 11th UN Crime Congress in Bangkok 18 – 25 April 2005)
 - Joint Activities (Anti-Corruption Day, 9 December 2004)
- 15.30 – 15.45** Closure of Meeting

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