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**ASSEMBLY OF PARTIES  
EIGHTH SESSION**

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**REPORT PRESENTED BY THE IACA OPEN-ENDED  
INTERGOVERNMENTAL WORKING GROUP  
ON FINANCIAL MATTERS**



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10 September 2019

Your Excellency,

I have the honor to hereby share with you the Report of the IACA Open-Ended Intergovernmental Working Group on Financial Matters as adopted on 10 July 2019.

The establishment of the group was mandated by the Assembly of State Parties' Resolution on Financial Accountability and Stability of the International Anti-Corruption Academy (AOP6-Res-5) which you can also find enclosed along with the Terms of Reference of the group for ease of reference.

It is my hope that the recommendations contained in the report will be endorsed by the upcoming eight session of the Assembly of the Parties and contribute to the continued development and financial stability of IACA in the years to come.

Please accept, Your Excellency, the assurances of my highest consideration,

A handwritten signature in blue ink, appearing to read 'Gerhard Thallinger', is written over a light blue horizontal line.

Mr. Gerhard Thallinger  
Chairman of the IACA Open-Ended Intergovernmental Working Group on Financial  
Matters

Encl.: as stated.

REPORT OF THE IACA OPEN-ENDED INTERGOVERNMENTAL  
WORKING GROUP ON FINANCIAL MATTERS  
(as adopted on 10 JULY 2019)

1. Since its establishment, the IACA open-ended Intergovernmental Working Group on Financial Matters (the Group) held five meetings (15 February 2019, 27 March 2019, 24 April 2019, 6 June 2019 and 10 July 2019). In its first meeting on 15 February 2019 the Group adopted Modalities and Terms of Reference (MToR) for the conduct of its activities.
2. In line with the main functions prescribed by the MToR the meetings of the Group served as a forum among Parties to *the Agreement for the Establishment of the International-Anti-Corruption Academy as an International Organization* (the Agreement) in order to identify ways to improve the financial situation of the Organisation and to ensure its financial stability and accountability. IACA's Secretariat briefed in all meetings on current developments including the financial and staffing situation. On 6 June the Group held an exchange of views with the Chairperson of the IACA Board of Governors, Mr. Alexey Konov.
3. On the basis of a non-paper presented by the Chair of the Group in the meeting on 27 March 2019, the Group discussed possible measures to enhance IACA's financial situation and stability in accordance with IACA's purposes and activities pursuant to Article II as well as with Article XI of the Agreement. As a result of these discussions and with regard to Article III.3 of the MToR the Group submits the recommendations to IACA's Assembly of Parties (the Assembly) listed in the Annex to this report.

Annex:

- I. Recommendations addressed to the competent IACA organs listed in Article IV of the Agreement to take the following measures and to report annually on all these elements to the Assembly:
  - a. Enhancing reporting, transparency and accountability towards its Parties concerning IACA's financial status and the use of voluntary contributions;
  - b. Developing a sustainable financial model with realistic budget provisions and a larger share of income generated by IACA's activities and programmes;
  - c. Increasing transparency and predictability in the process of elaboration and execution of the budget of IACA;
  - d. Increasing the visibility of those Parties who provide voluntary financial and other contributions to IACA;
  - e. Review IACA's programmes, activities and institutional structure, in close consultations with Parties, with a view to optimizing its operations and related expenditures, bearing in mind the financial capabilities of IACA;
  - f. Implementing all activities of IACA pursuant to Article II of the Agreement with an increased focus on analysis and research on all aspects of corruption as well as adapting the Work Plan 2017 - 2020 if necessary in light of the ongoing work of the Board of Governors to establish a strategy for the Organization;
  - g. Intensifying outreach to States not yet Party to the Agreement in order to accede to and contribute to the Organization;

- h. Strengthening IACA's activities and programmes aimed at increasing cooperation with other related international organizations such as United Nations Office on Drugs and Crime (UNODC), Organization for Economic Co-operation and Development (OECD), INTERPOL, and regional organizations such as the African Union, European Union, Economic Community of West African States (ECOWAS), Association of Southeast Asian Nations (ASEAN), Organization of American States (OAS), Organization for Security and Co-operation in Europe (OSCE) as well as fora such as the G20;
  - i. Working with Parties, organizations as well as fora as referred in point h, to increase national capacities to implement the provisions of United Nations Convention against Corruption (UNCAC), as well as to promote the realisation of Sustainable Development Goals 16 through programmes and activities of IACA;
  - j. Increasing cooperation with public or private entities which can contribute to the Academy's work and increase voluntary contributions from the private sector and other donors, while ensuring that the integrity of IACA's activities and programmes is preserved;
- II. Recommendations addressed to the Parties to the Agreement to take the following measures and to report annually on all these elements to the Assembly on a voluntary basis:
- a. Facilitating secondments of staff including research fellows to IACA;
  - b. Volunteering to host and provide support to the sessions of the Assembly and to IACA Regional Summer Academies, modules of its master's programmes and other activities;
  - c. Encouraging active support to the participation of their nationals in IACA's various programmes and activities, including through financial and other support to them;
  - d. Actively engaging in periodic joint donor conferences pursuant to Article XI.4 of the Agreement;
  - e. Considering, on a voluntary basis, providing multi-annual financial contributions to IACA in order to increase predictability of funds in line with Article XI of the Agreement;
  - f. Intensifying outreach to States not yet Party to the Agreement in order to accede to and contribute to the Organization;
  - g. Promoting and supporting IACA in all relevant international organisations such as UNODC, OECD, INTERPOL and regional organisations such as the African Union, European Union, ECOWAS, ASEAN, OAS, OSCE as well as fora such as the G20;
  - h. Considering the expansion of the mandate of this Group from financial to other administrative and substantive aspects as a standing subsidiary body to the Assembly in line with the Agreement.