

Organisation for Economic Co-operation and Development (OECD)
Anti-corruption Network for Eastern Europe and Central Asia (ACN)

20th STEERING GROUP MEETING

22 April 2016

OECD, 2 rue André-Pascal, 75016 Paris

SUMMARY RECORD

The summary record was prepared by the ACN Secretariat. It summarises the discussion and the decisions taken at the 20th ACN Steering Group meeting on 22 April 2016.

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1. INTRODUCTION

The 20th ACN Steering Group Meeting took place on 22 April 2016, at the OECD in Paris, back-to-back with the High Level Meeting on 21 April. The Steering Group Meeting was co-chaired by **Mr. Patrick Moulette**, Head of Anti-Corruption Division, OECD, and **Mr. Serhiy Leschenko**, Member of Parliament, Ukraine.

The participants adopted the agenda for the meeting. They took note of the **19th Steering Group's meeting Summary Record**, which was adopted through written procedure and is available [here](#). They further took note of the **2015 Activity Report**, available on the ACN website.

2. WORK PROGRAMME FOR 2016-2019

The Steering Group was reminded that the **Work Programme for 2016-2019** was adopted in October 2015 (available [here](#)) with several outstanding issues related to the monitoring methodology.

2.1. METHODOLOGY FOR THE FOURTH ROUND OF MONITORING UNDER IAP

Following the October 2015 meeting, the Secretariat revised the methodology for the **fourth round of monitoring of the Istanbul Anti-Corruption Action Plan** and sent it to the Steering Group members for written review. Taking into account the comments received through the written procedure, the Secretariat finalised the methodology to include the new ratings for progress updates, revised schedule and a model agenda for the on-site visits. The Secretariat also presented the detailed outline for the fourth round monitoring reports, which will provide a framework for preparing country-specific questionnaires. No further comments were provided during the March 2016 meeting; the Methodology was adopted.

2.2. PERFORMANCE INDICATORS

Mrs. Olga Savran, ACN Manager, presented the draft set of performance indicators that will be used to complement the logical framework of the ACN and will allow tracking the results of the implementation of the ACN Work Programme as recommended by the external evaluation and requested by ACN donors. The proposed set includes output indicators (number of various ACN meetings, reports and other activities), result indicators (number of various anti-corruption measures recommended by the ACN and implemented by the countries) and impact indicators (trends in the levels of corruption and integrity in the ACN countries according to available international and domestic surveys). ACN countries will be invited to submit annual reports using these indicators. The Secretariat will compile these submissions in ACN Annual Activity Reports. In the discussion that followed, the Steering Group members supported the proposed indicators in general and suggested several considerations. **Switzerland** noted that demonstrating the impact of the programme is an important condition to its continued support by the donors. **UNDP** highlighted that indicators should help tracking enforcement of reforms on the ground. **Armenia and Georgia** noted that proposed indicators should not be used for comparing countries, but rather for tracking the progress of countries' reforms against the international standards and ACN recommendations. **ERCAS** supported the inclusion of indicators related to trust as one of very important indicators regarding corruption. Some countries indicated that they already collect many relevant studies that can be used for the ACN indicators, e.g. **Latvia's KNAB** has a page on studies in Russian and English. The **Sange Research Centre in Kazakhstan** expressed content about the proposed framework to measure the impact of anti-corruption policy. It suggested to use different weights for different measures and to involve civil society in the process. **EBRD** suggested that it is important to develop

quantitative indicators which are important for the country in question. The **OSCE** expressed appreciation for the initiative and hope that the indicators will be reflected in the 2016 report.

2.3. FUNDRAISING STRATEGY

Responding to the recommendation of the external evaluation and ACN donors, and on the basis of the provisions of the ACN Work Programme regarding its funding, the Secretariat prepared the outline of the ACN Fundraising Strategy. Mrs. Savran presented the outline of the strategy, which covers such issues as risks and opportunities for ACN funding, as well as the main fundraising directions and measures, including the current sources (with the focus on the OECD members) and the new sources (with the focus on funding by the ACN countries) as well as the timelines for the completion and implementation of the strategy.

In the discussion that followed, **Switzerland** expressed commitment to contributing to the new phase of the ACN Work Programme, and stressed the importance of an effective fundraising strategy. **The United States** agreed that countries' buy-in was very important for the donors, that it would be important for countries to show progress, and for the indicators to show the effectiveness of ACN. **The OSCE** informed the meeting about its intention to continue co-financing ACN activities, including monitoring events and thematic seminars on corruption. **Armenia** and **Azerbaijan** stated that they already provide co-financing, e.g. by financing additional members of the delegations and financing the translation of ACN reports, and that they would explore more concrete ideas about further financial support based on the performance indicators. The **Sange Research Centre** committed to raise the issue of financing in front of the Kazakh Government. **Ms. Enery Quinones, Chair of the Istanbul Anti-Corruption Action Plan of the OECD/ACN**, suggested to further develop the idea of membership fees, which is the most effective approach for longer-term financial stability. **Georgia** suggested that the Secretariat propose more options for contributions by the ACN countries.

The Steering Group agreed that in order to advance on the fundraising strategy, the Secretariat will review the proposal on the basis of the discussion and will send it to the Group for written review, with the view of adopting the Strategy at the next meeting in September 2016, in order to launch the implementation in 2017.

3. PRESENTATION OF REPORTS

The Steering Group welcomed the presentation of several reports and updates, including reports prepared by the ACN, updates from other parts of the OECD, as well as from partner organisations.

3.1. ACN SUMMARY REPORT 2013-2015

Mr. Dmytro Kotliar, ACN Project Manager, presented a draft summary report on "Anti-corruption Reforms in Eastern Europe and Central Asia, Progress and Challenges, 2013-2015". The report is based on the IAP monitoring reports and ACN thematic studies covering all countries in the region, as well as available open sources. The report examines the trends in the levels of corruption in the region, as well as progress made by countries in ensuring effective anti-corruption policies and institutions, criminalising corruption and enforcing anti-corruption legislation, preventing corruption in the public administration and in business. The report includes regional recommendations that will provide guidance for the new ACN work programme as well as for the IAP monitoring. Steering Group members were invited to review the draft in written procedure, to verify or complete data for their countries, and to provide any other comments.

3.2. ACN Thematic Study on Business Integrity

Mr. Valts Kalnins, Senior Policy Analyst, Centre for Public Policy PROVIDUS, presented the thematic study on business integrity. The objectives of the study are to analyse current trends, identify good practices and develop policy recommendations on further promoting business integrity in the region. The information was gathered through questionnaires to governments, business associations and companies; country case studies and desk research. Recommendations for governments include the enforcement of anti-corruption rules, making private sector corruption a higher priority, having guidance on corporate governance and business integrity, having legislation that requires companies to make sure that no bribes are promised, offered or given, special attention to integrity risks in state-owned enterprises (SOEs), online tools for ensuring transparency, access to data on beneficial ownership, protection and encouragement of whistleblowing. Recommendations for private sector include assessing integrity risks, developing and implementing measures to minimise such risks, better utilisation of available compliance mechanisms, consideration of elements recommended by international guidance and governments, a compliance function of dedicated officers or units, disclosure of information on implementation of integrity policies, donations and political contributions; consideration of anti-corruption as one of the priority areas by companies that engage in CSR activities.

3.3. OECD DRAFT RECOMMENDATION ON PUBLIC INTEGRITY

Mr. Julio Bacio Terracino, Deputy Head of Public Sector Integrity Division, OCED Governance Directorate, presented the draft OECD Recommendation of the Council on Public Integrity. The recommendation is based on three pillars: ensuring a systematic approach to integrity, building a culture of integrity, and establishing a system of accountability. It consists of 13 recommendations that will be supported with a toolkit for implementation. The recommendation is now undergoing public consultations; it is expected that it will be adopted in the fall of 2016. The recommendation will provide a useful tool for ACN countries in strengthening integrity of the public administration. The draft recommendation is available [here](#).

3.4. UPDATES FROM THE OECD CENTRE FOR TAX POLICY AND ADMINISTRATION

Mrs. Martine Milliet-Einbinder, Senior Advisor at the OECD Centre for Tax Policy and Administration informed the ACN Steering Group about OECD work on establishing international standards on exchange of information for tax purposes, including automatic exchange and transparency of ownership, accounting and banking information; as well as the Convention on Mutual Administrative Assistance on Tax Matters, which can be included in the ACN summary report. Mrs. Milliet-Einbinder further informed the Group about the creation of the Joint International Tax Shelter Information and Collaboration (JITSIC) Network to respond to the challenges created by the Panama Papers, as well as the Oslo Initiative to address challenges created by FIFA investigation. She drew the attention of the group to the guidance and good practice produced by the OECD in the area of tax crimes, and training possibilities provided by the OECD International Academy on Tax Crime Investigation. The Convention on Mutual Administrative Assistance on Tax Matters is available [here](#).

3.5. OSCE HANDBOOK ON COMBATING CORRUPTION

Mr. Roel Janssens, Economic Adviser at the OSCE, presented the handbook on combating corruption that provides a reference guide on available legal tools, the latest legislative and policy trends and pertinent measures and practices to prevent and suppress corruption. This handbook includes 20 chapters on various aspects of combating corruption and over 200 international best practice

examples and case studies. It aims to be an "all-in-one" reference guide compiling and synthesizing standards and approaches of a number of key anti-corruption standard setters. It is aimed at advanced readers, anti-corruption policymakers and practitioners. The handbook was prepared by the OSCE in close consultations with the OECD, UNODC, Council of Europe's GRECO, ODIHR and external consultants. The handbook is available [here](#).

3.6. EVIDENCE-BASED INTEGRITY STRATEGIES, THE DEVELOPMENT APPROACH, HERTIE SCHOOL OF GOVERNANCE

Mrs. Alina Mungiu-Pippidi, Director, European Research Centre for Anti-Corruption and State-Building (ERCAS), Hertie School of Governance, presented the book on "The Quest for Good Governance: How Societies Develop Control of Corruption". The book provides a comprehensive definition of corruption and measurements sensitive to change and policy intervention. One of the book's key findings is that good laws in isolation make very little difference, and that they need to be empowered by civil society and independent judiciary action. The book provides a framework for what causes corruption, including contexts and policies, such as war and violence, human development, geography and climate, colonial or communist past. In the discussion that followed, Mrs. Alina Mungiu-Pippidi discussed how various indicators and measurements can or cannot inform the development of evidence-based anti-corruption or integrity strategies. More information on the book is available [here](#).

4. TOUR-DE-TABLE

Tour-de-table is included in the ACN Work Programme as a special session of Steering Group meetings that provides ACN countries – especially those that do not undergo IAP monitoring – with a possibility to update colleagues about significant anti-corruption developments, successful initiatives and reforms that can be promoted as good practices, and raise other issues that require regional attention and discussion. At this meeting of the Steering Group, the Secretariat invited three countries that are engaged in specific country programmes with the ACN – Romania, Kyrgyzstan and Ukraine - to share their experiences.

Mr. Cornel Calinescu, Head of the National Office for Crime Prevention and Asset Recovery Cooperation, Ministry of Justice, Romania, and **Mr. Valts Kalnins**, Senior Policy Analyst Centre for Public Policy PROVIDUS, informed the Group that in March 2016, Romania approached the OECD/ACN with a request to assist the country in conducting external evaluation of its national anti-corruption strategy. The ACN Secretariat helped the Ministry of Justice of Romania to identify two external consultants for this work. Both consultants and the ACN Secretariat have conducted a desk review, a mini-survey and interviews with various stakeholders, and have prepared a draft report, which would be presented for validation during the on-site visit in May. This external evaluation initiated and financed by the Ministry of Justice of Romania is a very useful example of peer learning. Romania agreed to share the external evaluation report at the next meeting of the ACN Steering Group. Among its anti-corruption activities, Romania noted that its asset management office was established in November 2015, which completes the institutional anti-corruption setting in Romania.

Ms. Liudmila Usmanova, Deputy Prosecutor General of Kyrgyzstan together with **Mrs. Rusudan Mikhelidze**, ACN Project Manager, and **Ms. Joy Davis-Kirchner**, INL Chief, International Narcotic and Law Enforcement Affairs (INL), Embassy of the United States of America in the Kyrgyz Republic, informed the Steering Group about the ACN country project that was recently launched for Kyrgyzstan with the funding from the US. The project will focus on two main issues, including the review of the drafts of Criminal and Criminal Procedure Codes that are currently being updated by

the Parliament of Kyrgyzstan with the view to ensure their compliance with international anti-corruption standards, and training for Kyrgyz prosecutors on specific issues of anti-corruption legislation, such as responsibility of legal persons for corruption. In addition, Kyrgyz delegation noted the recent improvement of the country's rating in the TI CPI, and several new developments such as the creation of an e-procurement portal.

Mr. Serhiy Leschenko, Member of Parliament, Ukraine and **Mrs. Tanya Khavanska**, ACN Project Manager, informed the Group about the recent anti-corruption reforms in Ukraine and the support that the OECD/ACN bilateral programme in Ukraine provided to these reforms. Mr. Leshchenko highlighted the main recent achievements, including the establishment of the National Anti-corruption Bureau of Ukraine (NABU), the specialised anti-corruption prosecutor's office and the anti-corruption business ombudsman, ongoing work to establish the Anti-Corruption Agency as the main corruption prevention body in Ukraine, preparations for the launch of the asset declaration system and of the legislation for the creation of the asset recovery body. Mr. Leshchenko insisted that these new bodies, which are established as independent and specialised anti-corruption institutions, together with the strong civil society, active media and a group of new MPs, are the main drivers of anti-corruption reforms that allow creating strong pressure on the political class to pursue effective anti-corruption reforms. Mrs. Khavanska noted that to support these reforms, the OECD/CAN targeted its assistance to the NABU and several other institutions; it will continue assisting anti-corruption law-enforcement bodies as well as the Business Ombudsman, and will contribute to the effective donor coordination together with the UNDP. Mrs. Khavanska thanked the US, Sweden, Lithuania, Latvia, Lichtenstein and Slovakia for the funding they provided to finance the Ukrainian anti-corruption project.

5. ACN 2016 WORK PLAN AND NEXT STEPS

Mrs. Rusudan Mikhelidze, informed participants about ACN activities planned for 2016, including the following:

- Azerbaijan and Georgia are the first two countries monitored in the 4th round; the focus on this round is on enforcement; education was selected for in-depth evaluation in Azerbaijan, procurement in infrastructure projects was selected in Georgia, monitoring questionnaires are expected to be completed in May 2016; on-site visits will be organised the week of 20-24 June 2016, the plenary meeting will take place on 14-16 September 2016;
- A seminar on "Impact of Corruption Prevention Measures at National and Sectoral Level" will be organised on 26-27 May 2016 at Issyk-Kul, Kyrgyzstan, in co-operation with the OSCE, focusing on preventing corruption in education and the extractive/resource industry;
- Preparation of the thematic study on international co-operation in corruption cases was launched, the questionnaire was sent to all national coordinators, but only 10 responses were received by the time of this meeting; countries were invited to provide their missing responses as soon as possible;
- The above study will be presented for discussion at the next meeting of the ACN Law-Enforcement Network, tentatively scheduled for October-November 2016, possibly in Kazakhstan with the financial support from this country (TBC);

- The next expert seminar on business integrity may take place in autumn 2016, possibly in Istanbul, if available funding permits; National Co-ordinators will be informed accordingly.

In the course of the meeting, the Delegation from Ukraine has requested to change the schedule of the IAP monitoring to review Ukraine earlier than scheduled, in order to maintain timely peer pressure and support the ongoing dynamic reforms in the country. The Secretariat consulted with the IAP countries about the possible swap in the schedule. Armenia has kindly agreed to swap with Ukraine. The updated schedule is as follows:

Monitoring meeting	Monitoring reports	Progress updates
September 2016	Azerbaijan Georgia	Armenia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine, Uzbekistan
June 2017	Tajikistan Ukraine Kazakhstan	Azerbaijan, Armenia, Georgia, , Kyrgyzstan, Mongolia, and Uzbekistan
March 2018	Armenia Kyrgyzstan	Azerbaijan, Georgia, Kazakhstan Mongolia, Tajikistan, Ukraine and Uzbekistan
December 2018	Mongolia Uzbekistan	Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Ukraine