



Anti-Corruption Network for Transition Economies
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ANTI-CORRUPTION NETWORK FOR TRANSITION ECONOMIES

WORK PROGRAMME 2005-2006

This proposal has been developed by the Secretariat of the Anti-Corruption Network for Transition Economies (ACN), and updated on the basis of the discussion at the ACN Steering Group, which took place on 24 September 2004 in Paris.

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1. BACKGROUND

The Anti-Corruption Network for Transition Economies (ACN) was established by national governments, civil society organisations, and international donor agencies at the regional workshop “Combating Corruption in Transition Economies” convened by the OECD and the USAID in October 1998 in Istanbul.

According to the Mission Statement developed in 2000, **the main objectives of the ACN is to support its member-countries in their fight against corruption by providing a regional forum for the promotion of anti-corruption activities, exchange of information, elaboration of best practices and donor coordination.** The 2001 Annual Meeting agreed on four strategic areas for the ACN activities, including (1) rule of law and legal instruments; (2) good governance; (3) civil society participation; and (4) regional networking.

ACN includes transition economies in Central, Eastern, and South Eastern Europe, Caucasus and Central Asia. International organisations, International Financial Institutions (IFIs), donor agencies, civil society and business sector associations also participate in the ACN activities. The Secretariat of the ACN is based at the OECD Anti-Corruption Division. To guide the Secretariat, the ACN Steering Group was established in January 1999.

The ACN operates through its annual meetings, thematic activities and sub-regional initiatives (Baltic Anti-Corruption Initiative/BACI, Stability Pact Anti-Corruption Initiative for South East Europe/SPAI and Istanbul Action Plan for the New Independent States of the former Soviet Union). The ACN web site www.anticorruptionnet.org provides more detailed information about its activities.

The work of the ACN has been supported by voluntary and in-kind contributions of the donor countries (mainly of the United States, Norway, Switzerland and Turkey) international organisations (the OECD and the UNDP) and civil society associations (the Open Society Institute and the Transparency International).

2. OBJECTIVES FOR 2005-2006

The Work Programme for 2005-2006 will pursue the objective of the ACN to provide a regional anti-corruption forum for transition economies. The Work Programme will aim to strengthen the analytical support and focus of the ACN activities to ensure their practical relevance for the needs of transition economies. In particular, **the ACN Work Programme will move from awareness-raising towards (1) reporting and evaluating progress achieved by the countries and through the donor programmes; and (2) elaborating good practices to support the implementation of the anti-corruption policies.**

In 2005 – 2006, activities of the ACN will be structured in the following three areas:

- Regional activities, including ACN annual meetings;
- Sub-regional initiatives, with the focus at the Istanbul Action Plan;
- Thematic reviews on selected priority issues.

3. REGIONAL ACTIVITIES

Regional activities of the ACN include its annual meetings, Steering Group meetings and the web site. The support of the Secretariat is also presented in this section.

3.1 ANNUAL MEETINGS

Since the launching of the ACN in 1998, five annual meetings were organised. The last 5th Annual Meeting took place on 10 – 12 September 2003 in Istanbul. The next 6th Annual Meeting is planned for spring 2005; the 7th Annual Meeting will take place in 2006.

Annual meetings provide a unique regional multi-stakeholder anti-corruption forum for the transition economies, with flexible structure and high-level political attendance. They gather about 100 participants and allow for an open discussion between national governments, civil society, donors, international organisations and IFIs. The Work Programme for 2005-2006 will maintain strong presence of the civil society, and will aim to ensure continuity of governments' participation by inviting the member-states to nominate their National Coordinators for the ACN. Business participation will also be promoted.

Reflecting the objectives of the Work Programme, **the ACN annual meetings will pursue two main tasks: (1) review progress achieved by ACN members in fighting corruption, and (2) elaborate good practices to support the implementation of anti-corruption policies.**

To ensure high quality of discussions at the ACN annual meetings, the meetings should be supported by other elements of the Work Programme, including the sub-regional initiatives and thematic reviews. The annual meetings should play a greater role in the elaboration and monitoring of the ACN Work Programme and in the evaluation of its implementation.

3.2 STEERING GROUP

The ACN Steering Group was established in January 1999. While the Secretariat is responsible for the actual implementation of the ACN activities, **the main task of the Steering Group is to provide guidance and advice for the development, monitoring and evaluation of the Work Programme implementation.** The Steering Group met 5 times since its establishment, its last meeting was held on 24 September 2004 and discussed the current Work Programme proposal. It was agreed that under this Work Programme the Steering Group should meet approximately twice a year, when possible back-to-back with other ACN events.

The Steering Group brings together OECD member countries and main international organisations – intergovernmental, financial, civil society and business - involved in fighting corruption. The original composition of the Steering Group included 11 members: the USAID, the OECD (together with the Business and Industry Advisory Committee and Trade Union Advisory Committee – BIAC and TUAC), the European Commission, the Council of Europe, the UNDP, the World Bank, the EBRD, the IMF, Transparency International (TI), Soros Foundation/Open Society Institute (OSI), the International Chamber of Commerce (ICC). Over time the USAID, the IMF and the ICC have become less active, while the Swiss Secretariat for Economic Affairs (SECO) and the American Bar Association Central Eastern European Law Initiative (ABA/CEELI) have joined the group.

To further strengthen the work of the Steering Group, selected representatives from the transition countries were invited to the Steering Group meetings in September 2004; this practice will be continued under this Work Programme. The participation of the key donor agencies in the Steering Group will also be strengthened. The ACN Secretariat will elaborate an updated description of the composition, mandate and procedures of the Steering Group, and will share them with the ACN members.

3.3 WEB SITE

ACN web site www.anticorruptionnet.org is its principal communication tool. The main function of the ACN site is to provide updates on its activities in English and Russian (summary updates are also placed at the Anti-Corruption Division's site www.oecd.org/daf/nocorruption, only in English). This Work Programme will aim to improve the structure of the ACN web site, and to ensure regular update of information in both languages.

Additional functions of this site – supporting e-mail discussions and providing a resource centre – appear too ambitious and cannot be fully ensured by the ACN Secretariat at present given the available resources; they will be discontinued. It should be noted that several ACN members and partners maintain web sites which do provide such services at global and regional level (e.g. www.oecd.org/daf/nocorruptionweb, www.nobribes.org, www.transparency.org, www.u4.no, www.worldbank.org/anticorruption and others).

3.4 SECRETARIAT AND FUNDING

The Secretariat of the Anti-Corruption Network for Transition Economies (ACN) is based at the Anti-Corruption Division (ACD) of the OECD Directorate for Financial and Enterprise Affairs (DAF). Currently it has a team of 3 staff members, including: one Administrator (ACN Manager), one Consultant and one Assistant.

The ACN Secretariat reports to the Head of the ACD. The ACN is included in the 2005-2006 Work Programme of the Working Group on Bribery – the policy group responsible for the OECD anti-corruption activities, to which the ACD is reporting. In its work, the ACN Secretariat collaborates closely with the rest of the ACD, and draws on the activities of other parts of the DAF and of the OECD. Some of the ACN activities were implemented jointly with other directorates of the OECD; implementation of joint activities will be pursued and strengthened in 2005-2006.

The funding of the ACN is provided from two main sources. First, the OECD provides the core funding, including staff costs of the Administrator and the Assistant, and limited activity budget to support the ACN annual meetings. Second, voluntary contributions provided by the OECD member-states and other donors. The voluntary contributions provided in a form of grants determine the scope and amount of sub-regional and thematic activities.

4. SUB-REGIONAL INITIATIVES

This Work Programme will provide for better integration of the sub-regional activities under the ACN Work Programme, with the Work Programme of the Istanbul Action Plan being an integral part of it. This Programme also proposes to strengthen the links of the ACN activities with other OECD anti-corruption outreach activities, including the Asia-Pacific Anti-Corruption Initiative (supported jointly by the OECD and the ADB), the Latin American Anti-Corruption Initiative and other emerging initiatives.

4.1 SPAI AND BACI

The Stability Pact Anti-Corruption Initiative (SPAI) for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, FYR of Macedonia, Moldova and Romania was launched in 2000. The Secretariat for the SPAI was provided by the OECD Anti-Corruption Division; in the course of 2003 it has been administered in close co-ordination with the ACN. In 2004 the Secretariat was transferred to the SPAI Regional Secretariat Liaison Office (RSLO) in Sarajevo, the OECD, represented by the ACN, remains member of the SPAI Steering Group.

The Baltic Anti-Corruption Initiative (BACI) for Estonia, Latvia and Lithuania was launched in 2001. The OECD Anti-Corruption Division together with the ACN Secretariat provided the overall support to the initiative. The BACI programme and budget have been completed in 2004.

For more information about the past SPAI and BACI activities, please refer to www.oecd.org/daf/nocorruption or request reports from the Secretariat.

This Work Programme does not foresee separate activities for the SPAI or the BACI countries. Instead, it is proposed to integrate activities in the South East Europe and in the Baltic region in the regional ACN activities. More specifically the involvement of the South East European and Baltic countries is proposed along the following lines:

- Participation in the ACN annual meetings;
- Participation in the ACN thematic reviews;
- Thematic pilot project (including the completion of ongoing projects on donor standards and conflict of interest in South East Europe and launching the new project on corruption in education in South East Europe) to be implemented in the ACN framework;
- Exchange of experience and know-how with the Istanbul Action Plan countries.

4.2 ISTANBUL ACTION PLAN

The Istanbul Anti-Corruption Action Plan for Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, the Russian Federation, Tajikistan and Ukraine was endorsed at the 5th ACN Annual Meeting in September 2003 in Istanbul. The ACN Secretariat also provides Secretariat for the Istanbul Action Plan. A separate Advisory Group was established to assist the Secretariat to develop, implement and assess the Work Programme of the Istanbul Action Plan.

The implementation of the Action Plan foresees several phases: review of legal and institutional framework for fighting corruption and endorsement of recommendations; implementation of the recommendations through national actions and international support; and review of progress in implementing the recommendations. The first phase – country review of legal and institutional frameworks for fighting corruption - has been conducted in 2004.

The objectives of the Istanbul Action Plan Work Programme for 2005-2006 are the following:

- Developing and implementing national actions by the Istanbul Action Plan countries to fulfil the recommendations;
- Supporting the development and implementation of such actions through regional thematic reviews and exchange of international best practices;
- Ensuring regular monitoring of progress in implementing the recommendations;
- Facilitating donor coordination through exchange of information about anti-corruption programmes in the region.

The development and implementation of national actions and their regular monitoring, as well as donor coordination specifically focus at the Istanbul Action Plan countries, and will be carried out through regular meetings of the Advisory Group (which can be organised back-to-back with the meetings of the ACN Steering Group).

The thematic reviews foreseen under this sub-regional initiative will provide valuable inputs for all the members of the ACN. These thematic reviews are presented below.

The Work Programme for the Istanbul Anti-Corruption Action Plan 2005-2006 is an integral part of the ACN Work Programme (attached).

5. THEMATIC REVIEWS

The objectives of thematic reviews are three-fold: (1) to review progress made by ACN members in specific fields of the fight against corruption, (2) to provide inputs for the elaboration of good practices and other practical tools for the implementation of the anti-corruption policies; and (3) to strengthen analytical basis for the annual meetings. The thematic reviews are presented in the order of priority, assigned to them by the ACN Steering Group.

5.1 MEASURING CORRUPTION

Measuring corruption is a challenging task for all countries. There are many approaches for measuring corruption, including: (1) measuring the actual and perceived level of corruption and ranking of countries, (2) sector or country specific assessments, and (3) measuring the effectiveness of anti-corruption measures. The results of existing measuring and assessments, their compatibility, accuracy and relevance for practical application at the country level often remain a concern. This issue was discussed at the 2003 ACN Annual Meeting, and attracted a lot of interest. Further, the Istanbul Action Plan countries were recommended to improve their analysis of the level of corruption and of the effectiveness of anti-corruption measures.

The review will examine existing methodologies for measuring the level of corruption and for assessing the effectiveness of anti-corruption measures. These will include surveys, statistical data, peer reviews and assessments carried out by international organisations and donors, civil society and business groups, and national governments. The analysis of these methodologies and of their application at national level will provide inputs for the eventual elaboration of recommendations for the ACN countries on how to improve anti-corruption monitoring and reporting at the national level. On a practical level, this thematic activity will help to develop a format to review country progress in the ACN framework.

This activity will be carried out in cooperation with the key institutions involved in “measuring corruption”, such as the EBRD, the World Bank and TI. A number of ACN Steering Group members (Romania, USA, Turkey, ABA CEELI and SPAI) committed to provide their inputs as well. The review will include expert seminar(s), and will be included in the agenda of the ACN annual meetings.

5.2 POLITICAL CORRUPTION

Political corruption was discussed at the 2003 ACN Annual Meeting and stimulated a very active discussion. Several issues of the political corruption in the transition economies were noted: (1) financing of political parties and of election campaigns, (2) abuse of public administrative resources for political interests, and (3) political pressure on anti-corruption bodies and interference in investigation and prosecution of corruption. These problems are often covered by media and civil society, and sometimes by institutions responsible for the enforcement of related legislation. Operational tools to deal with the problem are lacking in most of the ACN members.

This activity will aim to further advance international debate in this area, and to explore possible actions at the ACN regional level. Defining international standards for political party financing is a very challenging task, but could become a powerful tool to fight political corruption at the national level. Such work should take into account the Council of Europe’s recommendation in

the area, and should be aware of difficulties encountered during the preparation of the UN Convention.

This activity will involve a special session or a back-to-back workshop during the next ACN Annual Meeting to identify the scope and potential outcomes within the ACN framework. Projects related to the political party financing implemented by the UK DFID, TI and OSI will be studied when preparing this activity. The Council of Europe and TI expressed interest to contribute to this activity.

5.3 ANTI-CORRUPTION INSTITUTIONS

The debate about specialised anti-corruption agencies which took place at the 2003 ACN Annual Meeting demonstrated growing interest in this area. Many bilateral donors in their country programmes stress the importance of building effective anti-corruption institutions. Similar provisions are included in the Istanbul Action Plan recommendations. There are two distinctive approaches in the ACN region: (1) specialised anti-corruption agencies responsible for investigation, prevention and education, and (2) anti-corruption work carried out by existing law enforcement, administrative and other institutions.

This review will study both approaches, and will cover “criminal law” institutions, including centralised anti-corruption agencies and traditional law-enforcement institutions (taking into account the Council of Europe publication under its Octopus Programme “Anti-corruption Services: Good Practice in Europe”). It will also cover other policy and good governance institutions, including bodies responsible for anti-corruption policy elaboration and monitoring, administrative and internal control institutions (inspector general programmes, whistleblower protection programme, hotlines, etc.). The review will analyse such issues as the independence of such bodies, their mandates, powers and capacities. Also, the review will study mechanism of effective coordination between various institutions. The review will analyse the experience of various models, highlighting their strong and weak points but not aiming to elaborate the “best practice” or favour one model.

This thematic review will draw on the experience of the OECD Working Group on Bribery, and will be carried out in close cooperation with the Council of Europe (PACO IMPACT and CARDS Regional Police programmes for the countries of South Eastern Europe), the anti-fraud office of the European Commission (OLAF), the UN and the ABA CEELI. This regional review will be implemented through a series of expert seminars to exchange national experiences supported by a set of reference materials.

5.4 INTEGRITY OF BUSINESS OPERATIONS

The role of the business sector in the fight against corruption has appeared on the agenda of many ACN events. Apart from the OECD, a number of international organisations involved in anti-corruption work address this issue in their activities, including UN, ICC, World Bank, EBRD and TI. Many anti-corruption tools are already available, including (1) governments’, such as public procurement systems, external audit and financial control, disclosure requirements, administrative procedures, and (2) business tools, including codes of conduct, compliance systems, internal audit and financial control, whistleblowers’ protection. At the same time, there is a lack of institutionalised ongoing public-private dialogue on country-level.

The Work Programme will aim to promote such private-public dialogue. This may involve private sector, represented by independent business associations, as well as state owned enterprises, which represent a significant share of economy in many ACN countries. The dialogue will provide a framework for exchange of information about current practices applied in the ACN countries, as well as in the OECD member-states and other regions, and will aim to develop an overview of “best practices” in transition economies. The private-public dialogue

can focus at selected sectors, where corruption presents particular threat, in order to explore how the general anti-corruption tools presented above can be applied to ensure effective control of corruption. Public health care and education sectors are often quoted as the most corrupt social services, and can be examined, focusing at such issues as public procurement, licensing, and others. Utility, and more specifically, energy sector can also be used as a case, given its importance from the point of view of investment flows, and taking into account the dynamics of privatisation (Kosovo electricity sector can be presented as a case study).

This activity will be implemented through a series of workshops for the governments and business representatives, and will require close cooperation with business partners (BIAC, ICC, American Chamber of Commerce and other business associations) and other international organisations (such as UN, EBRD and World Bank).

5. ANTI-CORRUPTION LEGISLATION

Most ACN countries have joined the UN, and/or the Council of Europe anti-corruption conventions; several countries have also joined the OECD anti-bribery convention. Reform of anti-corruption legislation according to the international standards, established by these conventions, has often been among the first recommendations endorsed for the countries in different frameworks, including the SPAI, the Council of Europe and the Istanbul Action Plan.

This thematic review will seek to avoid duplication with the monitoring of anti-corruption legal reforms carried out by other international organisations, specifically GRECO monitoring most of the ACN members, and will focus at examination of legal reform in the Istanbul Action Plan countries. This review will use the endorsed recommendations as a starting point, will examine in detail how the requirements of the conventions are currently reflected in the national legislation of these countries, and will propose practical approaches for further legal reform.

Expert seminars will be organised for the Istanbul Action Plan countries to discuss the application of the standards. To support the review, a glossary of terms applied by international anti-corruption conventions will be prepared, including the definitions used these conventions, and illustrations of their application in national legislation. The glossary will also be presented to the ACN member countries.

5.6 CONFLICT OF INTEREST

Over the past two years, the ACN has supported the work on the conflict of interest for the SPAI and BACI countries. The OECD Governance Directorate will continue this thematic activity with the countries of the South East Europe. Meanwhile, the ACN will support a sub-regional exchange of experience, and discussion of international best practices among the Istanbul Action Plan countries, aiming to provide practical assistance for the implementation of country recommendations in this field.

This thematic review will use already existing international benchmark - OECD Guidelines on Managing Conflict of Interest in the Public Sector and the Toolkit for the Management of Conflict of Interest, developed by the OECD in 2003 and applied in some of the ACN countries, that can provide practical support to the Istanbul Action Plan countries. Other sub-regions will be invited to contribute and to share their experiences; in particular, the joint OECD/Council of Europe project for the South Eastern Europe aiming to assess the effectiveness and impact of conflict of interest policies can provide a useful input.

This thematic review will involve an expert seminar for the Istanbul Action Plan countries. Its results will be reflected in seminar proceedings, and will feed in the monitoring process under this sub-regional initiative.

5.7 BUDGET TRANSPARENCY

Similarly to the previous activity, the ACN has supported the work on the budget transparency for the SPAI and BACI countries. The OECD Governance Directorate will continue this thematic activity with the countries of the South East Europe. The ACN will support a sub-regional exchange of experience, and discussion of international best practices among the Istanbul Action Plan countries, aiming to provide practical assistance for the implementation of country recommendations in this field.

This thematic review for the Istanbul Action Plan countries will initially focus at the issues of budget transparency and financial control, which will be developed on the basis of the OECD Best Practices for Budget Transparency, and taking into account the ACN experience in this field.

The activity, including a training seminar, and possibly a budget system review in selected countries, and provide the ground for the development of follow-up activities. Its results will be reflected in seminar proceedings, and will feed in the monitoring process under this sub-regional initiative.

6. SUMMARY TABLE

Programme Area	Objective and Description	Outputs and Events
Regional activities		
Annual meetings	Regional anti-corruption forum: review progress achieved by ACN members in fighting corruption, elaborate good practices to support the implementation of anti-corruption policies, monitor the implementation of the ACN Work Programme.	6th Annual Meeting, Spring 2005; 7th Annual Meeting, 2006.
Steering Group	Elaboration and monitoring of the Work Programme (back-to-back with the meetings of the Advisory Group of the Istanbul Action Plan, every 6 months).	Four Steering Group meetings (see Istanbul Action Plan).
Web site	Improving the design and ensure regular update.	Design in 2005; Regular update.
Sub-regional initiatives		
Istanbul Action Plan	Monitoring of national actions to implement recommendations; donor coordination; Possibly, 4 th review meeting to examine Kazakhstan (at the next meeting of the Advisory Group).	Four Advisory Group meetings (every 6 months); Review of Kazakhstan, June 2005.
Thematic Reviews		
Measuring Corruption	Review of methodologies to measure the level of corruption and anti-corruption efforts; elaboration of recommendations.	Seminar 2005; scoping paper and proceedings.
Political Corruption	Discussion about possible scope of work on this issue in the ACN framework.	Workshop at the 6 th ACN Annual meeting
Special Anti-Corruption Bodies	Exchange of experience and best practices about special anti-corruption bodies; an expert seminar to discuss reference materials and next steps.	Two seminar 2005/2006; proceedings and reference materials.
Integrity of Business Operations	Exchange of experience and best practices about the business sector initiatives and governments' tools to promote integrity of business operations; expert seminars to elaborate best practices.	Two seminars in 2005 and 2006; proceedings; best practices.
International Anti-Corruption Standards	Review of international standards; development of a glossary; seminars to present the glossary and to discuss ways to promote the standards.	First seminar, 2005; Second seminar, 2006; Glossary.
Conflict of Interest	Introduction of the OECD guidelines and Toolkit for the management of conflict of interest; expert seminars.	Seminar 2005/2006; Guidelines and Toolkit in Russian; proceedings.
Financial Control	Introduction of the OECD guidelines on budget transparency and financial control, possibly a budget review of selected countries; expert workshop.	Seminar, 2005/2006; Guidelines in Russian; possibly budget reviews; proceedings.