

ACN

**Anti-Corruption Network
for Eastern Europe and Central Asia**

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10th ACN STEERING GROUP MEETING

31 March, 2010

OECD, 2 rue André-Pascal, 75016 Paris

SUMMARY RECORD

The summary record was prepared by the ACN Secretariat to summarise the discussion and decisions taken at the 10th ACN Steering Group meeting and it was approved by participants in the meeting.

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1. OPENING

The 10th ACN Steering Group meeting took place on 31 March 2010 at the OECD in Paris. It was organised back-to-back with the 9th Istanbul Anti-Corruption Action Plan Monitoring Meeting.

The meeting was chaired by Mr. Patrick Moulette, Head of the Anti-Corruption Division, OECD and Ms. Oksana Markeeva, the National Security and Defence Council of Ukraine, national coordinator of Ukraine in the Istanbul Action Plan (IAP).

2. PARTICIPATION OF UZBEKISTAN IN THE ISTANBUL ACTION PLAN

The first issue addressed by the meeting was the participation of Uzbekistan in the Istanbul Anti-Corruption Action Plan. **Mr. Moulette** reminded that Uzbekistan has expressed interest to join the IAP in November 2009. The Co-Chair informed that the ACN Secretariat at the OECD has sent a response letter to Uzbekistan. **Mr. Yevgeniy Kolenko**, Deputy Director of Department of Fight against Corruption and Economic Crime of the General Prosecutors Office of **Uzbekistan** made a presentation about legal and institutional framework to fight corruption in Uzbekistan.

The Co-Chair opened the floor for discussion. Most of the Istanbul Anti-Corruption Action Plan countries made statements of support to the participation of Uzbekistan in this initiative, including Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic and Ukraine. The Co-Chair invited the Steering Group to invite Uzbekistan to join the Istanbul Anti-Corruption Action Plan. This decision was approved. Uzbekistan joined the Istanbul Anti-Corruption Action Plan.

Further, the Co-Chair outlined next steps to conduct the review of Uzbekistan:

- Uzbekistan should submit answers to the questionnaire in summer 2010;
- Desk review of Uzbekistan will include setting up a team of experts by the Secretariat, which will review the answers and additional information and draft the report and recommendations by September 2010;
- Adoption of the report, including recommendation, at the next IAP monitoring meeting on 6 – 10 December 2010.

2. ACN /ISTANBUL ACTION PLAN WORK PROGRAMME 2010 AND BEYOND

Ms. Inese Gaika, OECD ACN manager, introduced the ACN/IAP Work Programme for 2010 and beyond.

Istanbul Action Plan Second Round of Monitoring.

- First group – Georgia and Azerbaijan – completed in March 2010; follow-up missions to the capitals will be organised to present the reports;
- Second Group – on-site visit of Ukraine 4-9 July, on-site visit of Tajikistan in September 2010; adoption of reports at the 9th Monitoring Meeting on 6 – 10 December 2010;
- Review of Uzbekistan in 2010; adoption of report at the 9th Monitoring Meeting on 6 – 10 December 2010;
- Kyrgyz Republic, Kazakhstan and Armenia (originally scheduled in the second group, but moved due to overlap with GRECO evaluation) – visit to Armenia in January 2011; Kyrgyz Republic in

February/March 2011, Kazakhstan in March/April 2011; adoption of the reports at the 10th monitoring meeting in 2011.

Following lessons learned from the first round of monitoring were outlined by Mr. Daniel Thelesklaf from Basel Institute on Governance:

- use of a questionnaire allowed to have a more clear scope of the country visit;
- drafting the report ahead of the country visit;
- it is crucial for countries to ensure that information provided by them is accurate and complete;
- new structure of meetings during the visit – thematic panels as opposed to individual meetings – was an improvement and should be continued;
- round of consultations among experts before the plenary meeting should be organised (by email, telephone or video conference);
- at the plenary meeting more time should be dedicated to the first reading;
- involvement of civil society is very useful and should continue;
- country updates could be further improved;
- should consider training for the next group of monitoring experts;
- recommendations should be clear and measurable.

ACN/Istanbul Action Plan Peer learning programme.

The Steering Group noted that to launch this programme, two seminars will be organised:

- Seminar on Investigation and prosecution of corruption organised by the ACN Secretariat in co-operation with the National Anti-Corruption Directorate of Romania in Bucharest, Romania, in September 2010.
- Seminar on investigation of corruption is planned in Kyiv, in Ukraine, in 2010/2011.

These two first seminars will bring together prosecutors, investigators and other practitioners from ACN countries. They will deal with specific practical issues, such as effective means to gather evidence in corruption cases, material/non-material benefits, tracing assets, including abroad, confiscation, investigation teams, application of liability of legal persons, whistleblowers and their protection. The seminars will draw on the training manual on investigation and prosecution of corruption currently developed under the ACN project “Strengthening the Capacity for Investigation and Prosecution of Corruption in Ukraine”.

Further, a broader list of possible topics for peer learning activities to be developed in the long-term was proposed:

- anti-corruption policy issues (for example, indicators and measurement of anti-corruption strategies);
- legal issues (criminalisation of corruption and other anti-corruption legal reforms);
- role of governments to prevent corruption in the private sector, including to promote internal control, ethics and compliance measures among companies;
- reducing risks of corruption in business regulation and government – business interface;
- fighting political corruption;
- integrity and transparency in public service;
- prevention of conflict of interest;
- integrity in the judiciary;

- administrative/“petty” corruption;
- asset declarations for public officials (follow-up to the ACN SIGMA project);
- internal control systems;
- financial control and audit;
- access to information;
- corruption in selected areas: education, public procurement, health, delivery of a public service, police.

The Steering Group expressed support to the seminars on prosecution and investigation of corruption, and proposed to address these topics in conjunction.

In addition, following suggestions of topics and issues for ACN seminars were made:

- analysis of anti-corruption risks in legal acts, namely to exchange experience, train experts entrusted to conduct this analysis and develop a common methodology;
- development of institutional anti-corruption action plans and how to make them more result-oriented; eventually a unified model of action plans to apply in ACN countries could be developed;
- development of anti-corruption strategies at local level and its relation to strategies developed at national level;
- exchange of experience with other countries on promotion and advancement in career of senior and high ranking officials;
- integrity of institutions and institution-building;
- conceptually novel topics for jurisdictions in the region, such as criminalisation and application in practice of corruption in private sector and criminal liability of legal persons;
- problems encountered by countries when implementing and transposing into national law international anti-corruption conventions and commitments. Loopholes in the legislation and problems revealed by international evaluations would be useful for countries implementing international standards, including those set by the UNCAC.

In order that peer learning activities have more impact, it was suggested to involve in these activities officials from governments and high level civil servants.

It was agreed that the Secretariat will take into account this discussion and further develop the ACN peer learning programme.

3. DONOR SUPPORT

Ms. Markeeva thanked the donors for their support to the ACN and the Istanbul Action Plan, especially the United States Department of State and the State Secretariat for Economic Affairs (SECO). The Co-Chair announced that the Department for International Development (DFID) of the **United Kingdom** will provide a new voluntary contribution to support ACN and Istanbul Action Plan activities in Central Asia. Further funding would be necessary.

Mr. Martin Shenton from SECO, **Switzerland** informed that Switzerland has supported the Istanbul Action Plan since the beginning and remains one of the main donors. Mr. Shenton noted that the IAP is an important tool to support efforts to fight corruption in the region. Switzerland announced the renewal of its support to provide for further deepening and strengthening of the ACN activities in the participating countries. Mr. Shenton said that the IAP Second Round of Monitoring needs to focus on priority areas

identified during the First Round and to form added value to other programmes in the region, as well as to go back to partner countries to discuss with them and achieve more sustainable results on the ground. Mr. Shenton encouraged other countries to provide their support as resources remain scarce.

4. EDUCATION CORRUPTION – PROPOSAL FOR SUB-SECTORAL FOLLOW-UP WORK

Mr. Mihaylo Milovanovich, OECD Directorate for Education, Programme for Co-operation with Non-member Economies, presented the project proposal “Education corruption: proposal for sub-sector follow-up in the ACN region” as a follow-up to the discussion at the ACN Astana Conference in September 2009.

The first phase of the project envisages the elaboration of a methodological framework, including a questionnaire, for diagnosis of corruption in education and its monitoring in the ACN region. In the second project phase the methodology would be piloted in a stock taking exercise in form of regional review of corruption in education in selected ACN countries. Identification of 4 – 6 voluntary countries for the pilot review is subject of additional discussion. The review methodology of this project can be either integrated in the IAP monitoring process or developed as separate project.

Mr. Milovanovich underlined that in most ACN countries corruption in education is addressed as a priority and suggested that this area can further be addressed as part of the ACN Work Programme.

During the discussion Mr. Valts Kalniņš, Centre for Public Policy, Latvia, mentioned a comparative study carried out by the Network of Education Policy Centres about parental informal payments in schools in 7 countries in the region revealing several common problems, such as confusion about payable and free of charge services and lack of accountability in schools. Republic of Montenegro mentioned lectures and informative materials it has provided and also opinion polls conducted in high schools. Tajikistan **also** reported about lectures provided in schools about dangers of corruption, international standards and work of anti-corruption bodies. Albania reported on a new EU funded project on the fight against corruption, including a pilot project on corruption in education.

The ACN Steering Group encouraged the OECD to commence with this activity, the first results of which should be presented at the next ACN meeting. Georgia volunteered for a country review under this project.

5. UPDATE ON GRECO'S 3RD AND 4TH EVALUATION ROUNDS

Mr. Wolfgang Rau, Executive Secretary, Council of Europe's Group of States against Corruption (**GRECO**), presented GRECO evaluations. Mr. Rau reminded that GRECO third evaluation round deals with the transposition into national law of the corruption offences contained in the Council of Europe Criminal Law Convention on Corruption and transparency of the funding of political parties and electoral campaigns, including the supervision of party accounts – and of campaign financing reports of parties and candidates – as well as sanctions for violations of relevant regulations. Mr. Rau pointed out that without proper control legal norms related to financing of political parties will remain on paper. Two member states – Island and Slovakia – are now under non-compliance procedure in relation to political party financing evaluation, but there are difficulties in other countries too.

The Steering Group noted that GRECO evaluation visits to Armenia and Azerbaijan are planned this year, to Georgia end of this year or beginning 2011 and to Ukraine - in the beginning of 2011.

Next GRECO evaluation round will most probably focus on corruption prevention, in particular in judiciary and parliaments. It will deal with conflicts of interest and codes of ethics and may also address selected issues related to public administration (already covered during the second evaluation round) and/or private sector corruption.

6. OECD GLOBAL RELATIONS AND RECENT ANTI-CORRUPTION INITIATIVES

Mr. Patrick Moulette, Head of the Anti-Corruption Division, OECD, updated the Steering Group on recent OECD anti-corruption initiatives and put ACN in a wider context of OECD global relations. Mr. Moulette stressed that the goal of OECD global relations is to create a level playing field and work with countries worldwide to implement anti-corruption conventions. The most recent OECD anti-corruption initiative is the Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions adopted by the OECD Council in November 2009. It includes new provisions on combating facilitation payments, protection of whistleblowers and improving communication between public officials and law enforcement authorities. It also contains two annexes on liability of legal persons and – good practice guidance on internal control, ethics and compliance.

Mr. Moulette informed that the OECD Working Group on Bribery is launching a new third round of monitoring. It will start in June 2010 with first on-site visits to Finland and the United States. This round will focus on enforcement, action and results and should be more focused and dynamic.

New OECD Initiative to Raise Global Awareness was launched on 9 December 2009. It aims to raise awareness about foreign bribery and OECD Anti-Bribery Convention. Over the next 3 years the initiative aims to develop an impact study on damages caused by foreign bribery, work with universities, law and business schools to develop courses and curricula on foreign bribery and carry out a public outreach campaign to address public and businesses. Mr. Moulette stressed that this Initiative is not limited to OECD, everybody can participate in it.

7. CLOSING OF THE MEETING

It was agreed that the Secretariat will prepare the draft summary record and circulate to participants. The meeting was then closed.