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The Anti-Corruption Network for Transition Economies

6th General Meeting

MEETING REPORT

30 – 31 May 2005

OECD Centre for Private Sector Development, Istanbul, Turkey

This report was compiled by the Secretariat of the Anti-Corruption Network for Transition Economies (ACN) in June 2005. The report presents an overview of the meeting and the summary of the discussions, together with copies of the discussion papers, presentations and the list of participants. This report is also available at the ACN web site www.anticorruptionnet.org.

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DOCUMENTS AVAILABLE UNDER SEPARATE COVER:

- "Specialised Anti-Corruption Institutions: Review of Models", Anti-Corruption Network for Transition Economies, discussion paper, available in English and Russian
- "Assessing Trends in Corruption and Impact of Anti-Corruption Measures", Anti-Corruption Network for Transition Economies, discussion paper, available in English and Russian
- Work Programme 2005-2006, Anti-Corruption Network for Transition Economies, available in English and Russian
- Summary Record of the 5th Meeting of the Advisory Group of the Istanbul Action Plan, available in English and Russian
- "Corruption in Montenegro", Ms Vanja Calovic, Mreza za Afirmaciju Nevladinog Sektora, Montenegro
- "Corruption in Public Perception - Case of Belarus", Mr Oleg Manaev, Independent Institute of Socio-Economic and Political Studies

Meeting Overview

Since its establishment in 1998, the ACN has become the leading regional forum of Central, Eastern, South-Eastern European, Caucasus and Central Asian countries about public policy to combat corruption. Experts from OECD and EU countries, international organisations, international financial institutions (IFIs), civil society and business associations, academic and research institutions contribute to the ACN activities. The Secretariat of the ACN is based at the OECD Anti-Corruption Division. The ACN Steering Group guides the Secretariat in the development, implementation and evaluation of the ACN Work Programme. The ACN operates through general meetings, sub-regional initiatives and thematic activities.

ACN general meetings are unique regional events, which bring together senior representatives of national governments, civil society and business groups, as well as international partners. The meetings provide an effective framework for review of progress achieved in the ACN region in fighting corruption, sharing of experience on emerging priorities issues and elaboration of good practices on selected themes to support implementation anti-corruption policies at the national level. General meetings also provide valuable networking opportunities.

The 6th General Meeting took place 30-31 May 2005 in Istanbul. It brought together about 100 participants from 30 countries (including ACN and OECD countries, as well as Hong Kong) and 13 international organisations and bodies (including the OECD, the Council of Europe, the UN, EU/OLAF, World Bank, EBRD, Transparency International and other civil society, academic and research groups).

Mr. Feridun Yenisey, Professor for Criminal Law, Institute for Global Understanding of Rule of Law, Turkey, opened the meeting and welcomed the participants on behalf of the host country, and stressed the importance of regional cooperation to tackle corruption in transition economies. Ms. Carolyn Ervin, Deputy Director, Directorate for Financial and Enterprise Affairs, OECD, addressed the participants on behalf of the organisers of the meeting. She talked about the role of the OECD in the global fight against corruption, and the contribution of the Anti-Corruption Network for Transition Economies.

Following the opening ceremony, four plenary sessions addressed the following issues:

- International anti-corruption conventions and their implementation by the ACN countries;
- Methods to assess trends in corruption and impact of anti-corruption measures at national level;
- Specialised anti-corruption institutions;
- Political corruption (this session was organised jointly with TI Russia).

At the closing, the meeting endorsed the ACN Work Programme for 2005-2006. The 5th Advisory Group meeting of the Istanbul Anti-Corruption Action Plan, the main sub-regional initiative of the ACN, was organised immediately after the closure of the General Meeting.

The summary of the discussions are presented below, structured according to the plenary sessions. All meeting documents, including opening speeches, presentations, discussion papers, the ACN Work Programme 2005 – 2006, the Summary Record of the Istanbul Action Plan Advisory Group meeting and the List of Participants are attached to this report. Copies are also available at the ACN web site www.anticorruptionnet.org.

The 6th General Meeting was organised by the ACN Secretariat, with the core funding of the OECD and logistical support of the OECD Istanbul Centre for Private Sector Development. The Turkish International Co-operation Agency (TICA) co-sponsored the participation of the official delegates from transition economies at the meeting.

Summary of Session 1

International Anti-corruption Conventions and their Implementation by the ACN countries

The first session was chaired by **Ms Carolyn Ervin**, Deputy Director of the Directorate for Financial and Enterprise Affairs, OECD. The session includes two sets of presentations – by the representatives of the international organisations and by selected countries – on their experiences with the implementation of the anti-corruption conventions. The presentations were followed by a general discussion about the role of international conventions in strengthening the fight against corruption at the countries level, on ways to further improve international monitoring mechanisms and possible role of the ACN in this field.

Mr Patrick Moulette, Head of the OECD Anti-Corruption Division presented the status of the implementation of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Following the accession of Estonia in 2005, the Convention now includes 36 signatories: 30 OECD member-states and 6 non-members. The implementation of the OECD Convention is supported by a rigorous monitoring of peer reviews, which are carried out by the signatory countries. Since the entry of the OECD Convention into force, its parties have completed significant legal reform: foreign bribery offence was established by all parties, supported by effective sanctions; many countries have also established the corporate liability for bribing foreign public officials. Increased public awareness and the growing number of allegations are among the achievements. Several investigations of bribery cases when crime has taken place outside national borders are ongoing. International co-operation is vital for the implementation of the OECD Convention; closer cooperation between States parties to the OECD Convention and the ACN countries, which are not part to this instrument, can help in effective investigation and prosecution of trans-border bribery cases.

Ms Liubov Samokhina, GRECO Secretariat, Council of Europe, discussed common achievements and challenges, identified in the ACN countries during two GRECO evaluation rounds (Central European, Baltic and Balkan countries were covered, as well as Georgia). In particular, GRECO identified that anti-corruption bodies were typically established in police, and recommended further specialisation of bodies in charge of the fight against corruption. It further recommended increasing cooperation between police and different state authorities, prosecution, tax authorities, accountants and auditors. Many countries are lacking regulation for the use of special investigative techniques, and do not have means to protect witnesses and whistleblowers. Responsibility of legal persons is a common challenge in the region. In many countries immunities had negative impact on fight against corruption as served as a tool to insure independence of particular institutions. GRECO found that generally legal frameworks for the identification, seizure and confiscation of proceeds of crime were satisfactory, but there was lack of training and actual application. It further noted insufficient efforts for the prevention of corruption in the public administration, especially at regional and local level and recommended to continue adopting codes of conduct within the public administration and introduction of declarations of assets and conflict of interest. Finally, GRECO encouraged governments of transition economies to carry out research and collect statistical data on corruption.

Ms Valérie Lebaux, United Nations Office on Drugs and Crime (UNODC), presented the status of ratification of the United Nations Convention against Corruption, its implementation and monitoring. The UN Convention is the most global anti-corruption instrument covering prevention of corruption, criminalisation and law enforcement, international cooperation and asset recovery. At the time of the meeting, 22 countries have become parties to the Convention, which will enter into force when it gathers 30 ratifications. From the ACN countries Belarus, Croatia, Romania and Turkmenistan have become parties to the Convention. To promote the ratification of the Convention, the UNODC organises series of pre-ratification seminars and is developing a legislative guide on the requirements of the Convention (it will be released by end 2005 in English and by mid 2006 in Russian). The UNODC can provide technical assistance in the areas of anti-corruption programmes, legislation, commissions, integrity of judicial system and asset recovery; the ACN countries can apply for such assistance. Measuring corruption and impact of anti-corruption programmes is an important topic on which UNODC aims to develop a methodology. No peer review mechanism is foreseen under the UN Convention; its monitoring will be ensured by the Conference of the States Parties, which will review the implementation based on self-assessment by countries.

Ms Gemma Aiolfi, Basel Institute on Governance, discussed the challenges in implementing international anti-corruption standards by the Istanbul Action Plan countries (Eastern Europe, Caucasus and Central Asia) and presented the draft Glossary of International Anti-Corruption Standards. The anti-corruption reviews of the Istanbul Action Plan countries, carried out by the ACN, identified that the core legislation on bribery is in place, but certain elements are not adequately addressed. These common problem areas include: criminalisation of offer and promise of bribe; non-pecuniary benefits; effective sanctions for active bribing; bribing through an intermediary; foreign bribery and confiscations from a third person; immunities; status of limitation. Responsibility of legal persons for corruption is a new challenging area not only for the Istanbul Action Plan countries. The draft Glossary developed by the ACN presents and explains the standards established by the OECD, Council of Europe and UN anti-corruption conventions on the above issues and other aspects of criminalisation of corruption. The Glossary will be finalised during 2005, and will be available in English and in Russian.

Mr Atle Roaldsøy, Ministry of Justice of Norway, discussed the implementation of GRECO and OECD recommendations and the role of international monitoring. In Norway, monitoring is considered an important contribution to building an efficient global anti-corruption regime; it promotes the establishment of standards and their enforcement, and helps countries to learn from each other. The Senior Officials Committee on Economic Crimes, which oversees the implementation of the National Action Plan against Economic Crime, also ensures that international recommendations received by Norway are given adequate national follow-up. Several national scandals over the last years further helped to draw the attention of public to the issues of ethics and public scrutiny. Following international recommendations, Norway has introduced changes in its Penal Code, ensuring a comprehensive coverage of domestic and foreign bribery offences and prohibiting the use of false accounting information, which made possible such investigations as the one on for trading in influence where the state oil enterprise *Statoil* received a fine in amount of about 2,5 million euros. The role of the Office of the Auditor General was strengthened: it now reports to police on any suspicions immediately upon their discovery while the audit continues; training on forensic accounting was strengthened. However, international monitoring procedures can be further improved to avoid an “evaluation fatigue”. Standards and criteria used by the OECD, the GRECO and FATF can be further clarified, monitoring mechanisms better coordinated, and common good practice developed. Evaluation standards need to be improved, to ensure that the evaluators are well trained and understand national legal system and tradition, and to ensure a high quality and authority of the reports. Finally, given the important role of the United Nations Convention against Corruption, it is important to consider its role in the international monitoring.

Mr Levan Khetsuriani, Senior Advisor, Anti-Corruption Policy Department, Georgian National Security Council, stated that the Georgian government focused its anti-corruption efforts at the introduction of new fiscal and licensing regulation; growing revenues to the public budget demonstrate the increasing legalisation of the shadow business. While the rate of successful investigations of economic crimes has also increased, reform of law-enforcement institutions is another priority task of the government, including the reform of the Ministry of Internal Affairs and Public Security and establishment of Financial Police, the new specialised body responsible for detection and pre-investigation of economic crimes. Georgia has gone through the first evaluation round by GRECO, and was reviewed by ACN/OECD under the Istanbul Anti-Corruption Action Plan. Following international recommendations, the immunities system was amended, internal control units were introduced in public institutions and NGOs are more involved in monitoring public services. The system of declaration of assets of public officials was improved. A new national anti-corruption strategy is currently under development. The monitoring of the implementation of the recommendations helps countries to ensure that the recommendations are well understood and in a longer-term helps fighting corruption more efficiently.

During the **general discussion** issues of interpretation and practical use of international standards, role of governments and civil society, coordination of monitoring mechanisms, proper implementation of recommendations were discussed. The following issues were highlighted:

- Signing international conventions to improve the image of a country without practical implementation measures undermines international anti-corruption efforts. International monitoring is an important tool for building an efficient global anti-corruption regime; to promote the establishment of standards and their enforcement. Governments need to properly implement the international recommendations and provide reports to international monitoring mechanisms in a timely and accurate manner. Work on the implementation of recommendations should be pursued also in between the reporting periods.
- Monitoring puts additional pressure on the governments, which is a particular challenge for transition economies with low capacity. Governments often feel overburdened and short of resources in advancing their tight reform agendas where anti-corruption is only one of many policy issues they have to deal with. To achieve more results, international organisations responsible for the monitoring procedures could further harmonise their reporting requirements and recommendations. The role of the UN Convention against Corruption needs to be further addressed with respect to international monitoring. Regional forums, such as the ACN, can be used to develop such joint approaches.
- International monitoring helps to build up support for national reforms. By reviewing a country and giving good advice to the government international monitoring can reinforce arguments in favour of reforms elaborated and debated by the government. These additional arguments can help the reformist parts of government to push through with the reforms.
- Monitoring also helps countries to learn from each other. The international standards and country recommendations often introduce new and complicated notions, which can be interpreted differently, or even misinterpreted by the countries. For example, the requirement of the UN Convention to set up independent anti-corruption bodies leaves a lot of unanswered questions as to how to ensure efficient work of the anti-corruption institutions, their independence and accountability (this discussion was pursued during the session 2). The standard on confiscation of proceeds of crime, established by the OECD, Council of Europe and the UN anti-corruption conventions, is a challenge for practical application, and can sometimes be used to attempt re-installing soviet-type confiscation of personal property as a general punishment for any crime. Peer reviews can ensure that implementation measures comply with the international standards.

The upcoming legislative guide of the UN or the ACN/OECD Glossary would provide valuable practical support in this area.

- To support the implementation of their international obligations, the governments need ensure that employees of public authorities, citizens and private sector are aware of these obligations and understand their requirements. Civil society and business associations can play a more important role in the international monitoring exercises. For instance, public discussions during monitoring missions could help to obtain a better understanding of how legislation is enforced in and to evaluate how serious governments are about the implementation of the recommendations. Civil society should also play a more important role in the elaboration of the national policies and in the evaluation of their implementation.

Summary of Session 2

Specialised anti-corruption institutions

The second session was chaired by **Mr. Paul Lachal-Roberts**, European Anti-Fraud Office (OLAF), European Commission. He opened the session by recalling that the theme of specialised anti-corruption institutions was discussed at the previous General Meeting of the Anti-Corruption Network in September 2003. This theme attracted a lot of interest, and it was agreed to pursue the discussion. The session opened with a keynote presentation about a Study of models of specialised anti-corruption institutions currently developed by the ACN Secretariat. It was followed by presentations of representatives from Honk Kong, Croatia, Albania, Slovenia, France and Turkey. The general discussion allowed to share country experiences and to guide the ACN Secretariat in further development of the Study.

Mr. Goran Klemenčič, Faculty of Criminal Justice and Security Studies, University of Ljubljana, presented the draft Study "*Specialised Anti-Corruption Institutions: Review of Models*". International conventions require countries to establish specialised anti-corruption bodies and determine criteria for them, such as autonomy and independence, resources and specialisation. Meanwhile, they do not provide practical guidance how these bodies should be set up and many countries have chosen various approaches. While there is no single model that can be replicated, lessons from national experiences can be useful for the ACN countries. The discussion paper launches a study of models, which will review selected specialised anti-corruption institutions and the lessons learned from their establishment and operation. The study will take into account the Council of Europe "*Anti-Corruption Services: Good Practice in Europe*". The study will further draw on the discussion at this ACN meeting. Inputs from the specialised institutions concerned will be invited. The study will be finalised and published at the end of 2005/beginning of 2006.

Mr. Thomas Chan Chi-sun, Director of Corruption Prevention at the Independent Commission against Corruption, Hong Kong Specialised Administrative Region, China, presented the experience of the Independent Commission against Corruption (ICAC). In the sixties and seventies corruption was a way of life in Hong Kong. Following a public scandal about a corrupt police officer, it was decided to establish an anti-corruption body outside the corrupt police service. ICAC was created in 1974 and became operational immediately; its mandate includes three main areas – law enforcement, community education and prevention. Since then, Hong Kong has developed a clean and efficient civil service, fair competition among businesses and society which no longer tolerates corruption. The main success factors of ICAC include independence ensured by the basic law of Hong Kong, commitment supported by powerful legislation, wide powers, and resources (1,000 professional staff members, including an important role played by the expatriate staff at the beginning, and budget of 90 million USD), accountability through a system of advisory committees, independent judiciary, separate prosecution authority and free press and community support. Regular surveys of public opinion shows over 99% support the ICAC, the raising level of non-anonymous complaints received by the ICAC is an important sign of confidence in the ICAC (in 2004 over 70% of complaints were non-anonymous). The lessons of ICAC prove that the fight against corruption needs a holistic approach. While no one model can serve all countries, international cooperation helps in building effective anti-corruption systems.

Mr. Dražen Jelenić, Deputy Director of the Office for Prevention of Corruption and Organised Crime (USKOK) of Croatia stressed that USKOK was established in response to the lack of systematic and efficient prosecution of corruption, increasing public demand and international commitments of Croatia.

USKOK was established as a part of the public prosecutor's office in 2001. Two years were spent facing technical and organisational difficulties before USKOK became operational. Staffing of USKOK was a particular problem, as specialists and prosecutors were reluctant to join this office despite its attractive salaries. Currently USKOK has 33 staff members, and does not have its own investigators; other law enforcement bodies are obliged to delegate their officers to work on USKOK's cases. The main successes of USKOK include: prosecuting 228 persons for corruption related offences in 2002 - 2004, including the first case in Croatia linking corruption and organised crime; obtaining severe sanctions, including imprisonment; increasing number of filed complaints; and the growing public trust. At the same time a great number of "street corruption" cases in Croatia remain unaddressed. In addition to law-enforcement, USKOK's mandate include also corruption prevention and public education, like the ICAC, but in practice these two functions never received funding and did not become operational. In the absence of an effective corruption awareness campaign, cooperation with the NGOs remains weak. Despite the small number of staff, USKOK has very large reporting obligations; it has to report frequently to the Prosecutor General, to the Ministry of Justice and the Parliament. Training for prosecutors and other law enforcement authorities and enhancing work of multidisciplinary teams and cross-border investigations are among the current challenges of USKOK.

Mr Edmond Dunga, Head of the Anti-Corruption Unit of Albania made a presentation of the Anti-Corruption Monitoring Group and the Anti-Corruption Unit of Albania. The creation of these anti-corruption services in Albania was a reaction to the international engagements and recommendations. In the aftermath of political and social crisis of 1997, it aimed in particular to strengthen public institutions and reduce administrative corruption. The Anti-Corruption Monitoring Group and the Unit do not have investigative powers; they carry out management, preventive and educational work and monitor relevant activities of various state institutions. Some technical difficulties and scepticism in the public were the main problems encountered initially. Today the main challenge is to enhance the professional capacities and strengthen the specialization of experts working in the area of prevention and fight against corruption and to increase their technical means as well as improve the exchange of information among relevant public institutions. Another major obstacle is the public perception of corruption; the problem of corruption is often politicised. The development and implementation of the Law on the Prevention of Conflict of Interest and of the amendments to the Criminal Law are among the main achievements, as well as the study "On Public Services Offered by the Central Administration Institutions" providing recommendations towards administrative simplification, for example, on licensing.

Ms Barbara Lavtar, Member of the Anti-Corruption Commission of Slovenia discussed the establishment, organisation, main responsibilities of the Commission, its achievements and problems. The level of corruption is considered to be relatively low in Slovenia, compared to other countries in the region. However, it was recommended by the GRECO to establish a specialised anti-corruption body in Slovenia. The Anti-Corruption Commission was established in October 2004 as an independent body; the president, the deputy director and the members of the Commission are appointed by representatives of the three branches of state powers. The Commission does not have investigative power. It focuses at preventive measures with possibility to impose administrative sanctions. During its first year of operation, the Commission has developed and introduced a comprehensive system of declaration of income and assets by public officials at national and local level, including prosecutors and judges. 95% of the officials, who are obliged to declare their income and assets, have submitted the declarations. Most resistance to the system of declarations was encountered at the local level. However, in May the budget of the Commission has been considerably restricted by the government, demonstrating the lack of understanding and support of Commission's activities at political level. There is a risk that the Commission will be closed by the end of 2005. Future anti-corruption activities should focus at education in order to change the attitude of the public tolerating bribes.

Mr Pierre-Christian Soccoja, Executive Secretary of the Central Service of Corruption Prevention (SCPC) in France, discussed establishment, mission, main responsibilities and activities of the SCPC. Several prosecutions of political leaders and accountants of political parties and the adoption of the law on Preventing Corruption and Improving Transparency in Business and Government led to the establishment of the SCPC in 1993. The SCPC is an independent authority which reports once a year to the Prime Minister and the Minister of Justice; its head is appointed for 4 years and the advisors represent different institutions that provide funding for them. The SCPC deals with the prevention of corruption and does not have investigative powers. The SCPC gives advice to judicial authorities and public institutions in on corruption related matters, and centralises and analyses data on corruption. The SCPC is not interested in judicial cases but analyses systems of corruption in order to understand how corruption phenomenon evolves in France and in the world. The third area of work of the SCPC is to give recommendations usually through the Annual Report, which addresses selected issues (corruption in sport, conflict of interest). The SCPC cooperates with the law enforcement bodies including the investigative entity named the Central Brigade of Fight against Corruption (GRECO recommendation) and specialised judicial prosecutors. The SCPC also develops joint programmes with public and private companies in order to advise on how to prevent corruption by improving their code of ethics or providing training.

Mr Genç Osman Yarasli, Head of the Financial Crimes Investigation Board of Turkey in closing the session discussed the institutional framework for the fight against corruption in Turkey. Currently, in Turkey there is no specialised anti-corruption body; the fight against corruption is carried out by a range of law-enforcement and other bodies. A discussion on the possibility to establish a specialised anti-corruption body in Turkey is planned among representatives of public, academic, professional and civil society organisations in July 2005. One possible approach for strengthening anti-corruption activities, which does not require a central agency, is through creation of special task forces dealing with particular cases and bringing together officers of law-enforcement agencies and other relevant state authorities.

Independence, overall institutional framework, efficiency, accountability and public credibility of specialised anti-corruption services became the focus of the **general discussion**. The following issues were highlighted:

- The issues of independence of specialised anti-corruption institutions attracted most of attention. 'Independence' covers many issues, but there is a lack of common understanding of the various components of this term. It may refer to political independence, e.g. from interference of the government or political parties; institutional or formal independence, e.g. from the executive branch of power; practical or functional independence, e.g. proper legal basis and strong powers, sufficient and stable staff, technical resources, use of special investigation means, etc. These various aspects of independence lead to different interpretations and approaches to implementation; legal basis, rules for appointing management, source of financial autonomy, reporting requirements and other aspects of independence vary from country to country and from preventive to law enforcement type institutions.
- It is important to ensure the balance between independence and accountability of specialised anti-corruption institutions. Accountability is an important mean to ensure that they are run in a democratic way and use their resources, including financial resources, efficiently. In practical terms, accountability needs to be translated into an effective system of oversight and reporting.
- Efficiency and effectiveness of anti-corruption institutions were also addressed by the general discussion. Efficiency deals primarily with the costs of the running of an institution as compared to the benefits it provides to the society, which is difficult to assess in monetary terms. Effectiveness can be interpreted as amount of useful measures, carried out by an agency, in law-enforcement, prevention or education field.

Effectiveness in many cases depends on the political will and independence: institutions investigating high level corruption involving parliament members, ministers and judges cannot be efficient if they are placed within the executive.

- The need to evaluate the performance of specialised anti-corruption institutions was also pointed out. A number of possible criteria for such evaluations were discussed, including, for example, statistical data on conviction rates (which needs to take into account the performance of courts); selection and dismissal of members of specialised anti-corruption institutions, adoption of budget, reporting requirements and credibility for other state institutions and citizens. The discussion of this issue was pursued during the session 3.
- Public support to specialised anti-corruption institutions is important mean to help to secure political support and therefore the stability of operations and independence of such institutions. As demonstrated by the example of Hong Kong's ICAC, if the institution allies with the public, it will be hard for politicians to go against the will of the public and to undermine the operations of anti-corruption agency.
- Each specialised anti-corruption institution is an element of the overall anti-corruption system along with law enforcement and judiciary, control of public institutions and officials as well as of private organisations, education and awareness. When designing and reforming specialised anti-corruption institutions in a given country, it is important to consider how an institution fits into the overall framework of both preventive and law enforcement type institutions.

Summary of Session 3

Assessing trends in corruption and impact of anti-corruption measures

The session was chaired by **Mr Bertrand de Speville**, formerly Commissioner of the Independent Commission against Corruption of Hong Kong, Consultant at De Speville & Associates, UK. The session started with a keynote presentation based on the discussion paper on this subject, prepared on the request of the ACN Secretariat. Several international organisations presented their experience and methodologies for measuring corruption. Delegates from Romania, Armenia and Lithuania presented their country practices. The discussion focused at two issues – the methodological difficulties in measuring corruption, and at the role of governments.

Mr Valts Kalnins, Centre for Public Policy Providus and member of the Advisory Board of the Corruption Prevention and Combating Bureau of Latvia, presented the discussion paper '*Assessing trends in corruption and impact of anti-corruption measures*' and an overview of existing methodologies for the assessment the level and trends of corruption and of the impact of anti-corruption measures. Such methodologies include 'direct' measurement of corruption, such as surveys of perceptions, experiences and attitudes of the citizens to corruption. They also include 'indirect' measurement of corruption, such as risk assessment and check-lists, use of statistical data, internal indicators for selected sectors, and audit. Individual methodologies have their limitations and advantages and the need to be applied in a combination with other methods. Various actors are involved in such measurements; the role of governments has to be further clarified, especially in transition economies.

Mr James Anderson, Senior Economist, the World Bank, stressed the need to measure the bottom line for the monitoring of corruption through surveys of perception and experience, expert views, aggregates and individual indicators. When measuring such bottom line, one of the challenges is to define what is believed to be a corrupt behaviour. To ensure high quality of results in measuring the level of corruption, the comparative analysis of various survey results is important, as well the use data from multiple perspectives and observation of fluctuations over time. When elaborating anti-corruption policies and measures, specific information on various public agencies and services is useful; in this context public integrity index and qualities of judicial system might be useful approaches. To identify if the anti-corruption policy measures are producing desired results there is a need for more specific indicators, such as public finance management and public administration indicators.

Mr Alan Rousso, Lead Counsellor, the EBRD, presented the methodology and the most recent findings of the Business Environment and Enterprise Performance Survey (BEEPS), a survey of firms in transition economies implemented by the EBRD and the World Bank. The 2002 BEEPS studied the administrative corruption and state capture, and shown an improving business climate and decline in the overall impact of corruption on firms since the previous 1999 BEEPS. The study of impact of anti-corruption policies on levels of corruption showed that anti-corruption programmes (strategies, action plans and commissions) and membership in international anti-corruption conventions did not lead to reductions in the level of either administrative corruption or state capture. The effect of anti-corruption programmes on the perception of corruption remained unclear; while such programmes gave optimism that something is being done to combat corruption, they also raised the perception of corruption. At the same time, new or amended laws aimed at tackling corruption led to reductions in administrative corruption, but not in levels of state capture. In other words, it appears that not high profile programmes or special commissions, often created

under external pressure, but authentic political will and concrete practical actions and legal reforms have the strongest effect in the fight against corruption.

Mr Miklos Marschall, Regional Director for Europe and Central Asia, Transparency International, discussed the most well known corruption indexes, developed by the TI at the international level, including the Corruption Prevention Index (CPI) and the Bribe Payers Index (BPI). The CPI is the oldest measure; it is a composite index, based on a large number of surveys of businessmen and shows their perception of the level of corruption among civil servants and politicians. The Global Corruption Barometer studies public opinions and attitudes to corruption, and is based on surveys of household. According to the most recent Global Corruption Barometer the ACN region scored rather poorly; many people confirming their recent personal experience with bribery, and ranking political parties as most corrupt. National Integrity Systems and other national surveys carried out by TI national chapters diagnose the state of integrity system and provide entry points for the elaboration of anti-corruption policies. Governments sometimes complain about the lack of accuracy of various measures to discredit their results. Overall, assessment methodologies and application of their results need to be further developed, in order to convert research into policy recommendations.

Ms Sarah Repucci, Editor, the Freedom House, presented the methodology of *'Countries at the Crossroads'* study and its main findings for the former Soviet Union countries. Despite good laws, which are in place in the region, there is a lack of enforcement of existing laws and lack of accountability, especially at higher levels of government. Conflicts of interest in the public sector concealing of corruption by governments due to absence of budgetary transparency are among major problems. Corruption in higher education is another serious problem. All of the countries of the region score low at the assessment scale of the Freedom House. The report provides recommendations to the governments and is linked to the new US government Millennium Challenge Account programme: any government failing in the fight against corruption is disqualified from aid under the programme. Ms Repucci further presented the assessment of the Romanian government's anti-corruption policy. The assessment examined the implementation of 101 actions taken by the government since 2001. It was carried out by a team of foreign and local consultants and NGOs. The assessment identified the lack of coordination among anticorruption bodies and unfocused and ineffective anticorruption policy. The reports provided extensive recommendations to the government, including the establishment of a single anti-corruption coordination body, ensuring independence of prosecution and assign the control of conflict of interest legislation to a single entity.

Ms Laura Stefan, Director, Department for Relation with Public Ministry, Crime and Corruption Prevention, Ministry of Justice of Romania, stated that Romania was the object of multiple studies related to corruption. The independent audit of the National Anticorruption Strategy 2001-2004 (presented above) was one of the three conditions, required by the EU in order to sign the accession agreement; elaboration of the new anti-corruption strategy and assigning one body to coordinate its implementation were two other conditions. The findings of the assessment and the recommendations are used for the new National Anticorruption Strategy and an action plan, which cover prevention, investigation and public cooperation. Coordination and monitoring of the implementation of the Strategy of the Strategy is one of the main challenges. To address this challenge, a Council was established, which brings together high level representatives of agencies responsible for the fight against corruption. The Council will be supported by the Secretariat. The Strategy contains indicators, which will be used as internal tools for assessing performance.

Mr Armen Khudaverdian, Head, Public Sector Reform Commission, Government of Armenia, discussed the use of corruption measurements during the elaboration of the National Anti-Corruption Strategy and for the monitoring of its implementation. A combination of available surveys, such as TI, EBRD and World Bank, polls and surveys carried out by NGOs provided a good understanding of the level of corruption, which served for the elaboration of the Strategy. The Strategy includes mid term and long term measures and contains related indicators. Anti-Corruption Council and Monitoring Commission were

established to coordinate the implementation of the Strategy. The Commission has 11 working groups, mostly involving NGOs, which monitor the implementation of the Strategy. The UNDP support a pilot project monitoring health and education sectors. The monitoring can only establish if the measures, planned under the Strategy, were implemented or not. It cannot determine if the implemented measures had any effect on the level of corruption. Various surveys, which can provide information on the actual level of corruption, are very expensive and transition governments do not have budgets for such expenses. Statistical methods do not give a satisfactory answer either; they usually show only the number of bribers caught, and have a bias of their ministry. GRECO and OECD reviews provide useful assessments. It is expected that the audits, both public and private, may become a useful source of information about the effect of anti-corruption measures.

Ms Jūrate Tumoniene, Head of International Section, Special Investigation Service of Lithuania, stated that the National Anti-Corruption Programme, which includes a Strategy and an Action Plan, was adopted in Lithuania in 2002; the programme includes prevention, prosecution and education measures. The Special Investigation Service, responsible for its implementation, provides efficiency reports to the anti-corruption commission of the Parliament, interdepartmental commission for the fight against corruption of the Government and to the President's office; the reports are based on performance indicators in each of three main areas. There are no special requirements as to statistical data to be collected and to be presented in the reports. So far, these reports contain mostly quantitative indicators and information about inputs, e.g. numbers of articles, shows, etc. carried out under the education part of the Programme. This information needs to be combined with the public opinion and attitude surveys, which are carried out by Transparency International Lithuania, in order to get an opinion about the effects of the anti-corruption measures on the level and trends of corruption in the country. Currently the Anti-Corruption Programme is updated; performance indicators will also be reviewed to ensure a link between the goals and resources (staff, time and money). As for the indicators of trust to the Special Investigation Service, the number of total reports to the Service is growing, but the share of official and anonymous reports remains stable (3 to 1). At the same time, certain change of attitude of the citizens towards corruption has been observed: to the survey questions 'does giving a bribe contribute to solving a problem?' and 'would you give a bribe?' more people now respond negatively.

Opening the general discussion, **Mr Bertrand de Speville** reminded there is no advantage in having an anticorruption strategy unless it achieves a positive effect; the aims of measuring progress are to see if the strategy is achieving its objective of reducing corruption and if taxpayers' money invested in the fight is being well spent. The Chair further pointed that corruption prevention, prosecution and public education are currently accepted as the three main elements of anti-corruption policies. The Chair suggested that the measuring progress of such comprehensive strategies should combine qualitative and quantitative indicators. Quantitative indicators can be based on statistical data compiled by the anticorruption authorities themselves. Public opinion surveys about public perception of corruption, their attitude and support to the anti-corruption policy can provide accurate qualitative measure. The Chair proposed a possible set of performance indicators of the implementation of the enforcement, prevention and public education of a national anticorruption strategy.

During the **general discussion** both the methodological issues as well as the role of the governments were discussed. The following issues were raised:

- Anticorruption strategies to achieve a positive effect require time, effort and resources. Measuring effectiveness of such strategies not only helps to see if they are achieving their objective of reducing corruption and if taxpayers' money is being well spent; it is also an important tool to demonstrate progress in order to maintain political and public support and ensure stable funding.
- Methodologies for assessing the level and trends of corruption need further elaboration. There appear to be a great number of country rankings and international anti-corruption indexes, while their accuracy and precision is always debated; sometimes they can be misleading and controversial. For instance, strengthening law-enforcement is normally a positive indicator in the fight against corruption, but it can have negative meaning in an undemocratic country, where such law-enforcement is used against public freedom. However, these indexes do provide valuable information; they should be treated in a broader context of the level of democracy in a country, access to information and to justice, and other information. Reports by local NGO are useful additions to international indexes.
- There is a need to improve the use of available studies and surveys, and to convert research into policy recommendations. The corruption assessments provide important signals to the IFIs, for instance. In some cases, EBRD has suspended its lending to non-democratic governments (e.g. Belarus, Uzbekistan, Tajikistan) and has stepped up its due diligence to avoid corrupt use of the lending; the World Bank has recently released a report on internal investigations, which suggests ways to prevent corruption, black-listing of companies involved in corrupt practices and barring them from further World Bank projects as a practical tool in this area.
- The role of governments in assessing corruption remains ambiguous, particularly in the transition economies. Governments do not have experience or capacity in this field, they remain hesitant about spending scarce public funding on such assessments. Governments often complain about the quality and accuracy of the surveys produced by NGOs and use this as an argument not to use their results. The public, in turn, may not trust the results of assessments, if they are carried out by corrupt governments.
- Developing methodologies for assessing the impact of anti-corruption policies should focus at the elaboration of indicators for self-assessment by governments of the effectiveness of their anti-corruption policies. For instance, the ratio of anonymous versus non-anonymous complaints to public anti-corruption authorities is considered a useful indicator of the trust of the public in these authorities in some countries (Lithuania, Hong Kong), while in other countries the share of anonymous complaints is very low, e.g. 1% in Russia, but this does not necessarily reflect high level of trust to the authorities. The issue of indicators for the self-assessment by governments will benefit from further follow-up.

Summary of Session 4

Political corruption

The session was organised in co-operation with Transparency International Russia. It was chaired by **Ms Elena Panfilova**, the Director of Transparency International Russia. Ms Panfilova opened the meeting by stressing that it is important to continue the discussion about political corruption, which was launched at the last General Meeting of the Anti-Corruption Network, in order to develop a common understanding of the issues and to identify possible solutions at the national and regional level.

Ms Liubov Samokhina, GRECO Secretariat, Council of Europe, presented the main steps undertaken by the Council of Europe to formulate general rules on funding of political parties and electoral campaigns at European level. These included the adoption of a resolution by the Parliamentary Assembly of the Council of Europe in 2001, the guidelines of the Venice Commission on Financing Political Parties and the 2003 recommendation of the Committee of Ministers on Common Rules against Corruption in the Financing of Political Parties and Electoral Campaigns. The 2003 recommendation is the first pan-European instrument on funding of political parties, which establishes several principles, such as the balance between state and private support; strict proportionality in distributing the state support; strict rules concerning private donations; limits on electoral spending; transparency of accounts; independent monitoring; and sanctions. These principles need to be adapted to specific national context; the recommendation is not legally binding. Technical assistance in this area is provided to Georgia, Moldova, Russia and Ukraine.

Mr Alvis Vilks, Deputy Director of the Corruption Prevention and Combating Bureau of Latvia, made a presentation on the Law on Political Party Financing of Latvia, including the main provisions of the law, its implementation mechanism and experience from enforcement. The control of the financing of political parties became effective after it was assigned as a separate and permanent function to the Corruption Prevention and Combating Bureau. Since then, several investigations were carried out by the Bureau, a number of irregularities were discovered and sanctions imposed on political parties; criminal cases on falsification of documents were started. Based on the findings, the Bureau prepared improvements to the legislation on the financing of political parties, including establishing of criminal liability for use of intermediaries. The control over the financing of political parties, especially the parties at power, is important in order to know the sources of financing of the political leaders and judge on their influence on political decisions; institutions controlling the financing of political parties need to remain independent and have a special status.

Mr Alexandru Catalin Macovei, Prosecutor of the National Anti-Corruption Prosecutor's Office (NAPO), presented NAPO and its experience with prosecuting high level corruption cases. NAPO is an independent body within the public prosecutors office. According to the law NAPO's mandate is to investigate and prosecute corruption and corruption related crimes involving high value of damages or bribes and high level persons (it should be noted that according to the decision of the Constitutional Court of May 2005, members of parliament are excluded from NAPO's investigations). NAPO became operational in a short period of time; its operations enjoy a raising level of public credibility. There are many difficulties in NAPO's work, including practical and organisational issues, difficulties in investigating crimes committed in the past ago and lack of modern technical means. At the same time NAPO is cooperating with many state institutions with duties in prevention and finding of corruption

crimes, such as Romanian intelligence services, Control Board of Government, Ministry of European Integration, Ministry of Finance and NGOs. NAPO also benefits from significant foreign assistance. As a result of its strong mandate and specialisation, supported by resources and cooperation with other agencies, NAPO has successfully prosecuted a large number of important cases involving high and middle level officials from the government, different ministries and state agencies, a former Minister, directors of state enterprises, generals of the army, prosecutors, mayors and policeman; in monetary terms these cases involved bribes of up to 2 million euros.

Mr Volodymir Stretovych, Chair of the Parliament Committee on the Fight against Corruption and Organised Crime of Ukraine, discussed lessons learned from the 2004 Presidential elections in Ukraine. The monitoring of the campaign revealed serious infringements, such as the use ‘temniki’ or secret instructions issued by the government to censor the media; use of administrative resources and abuse of public funds to support the pro-governmental candidate; manipulations of the lists of electors and the bulletins by using absentees’ votes. Among the most productive counter-measures were the exit-polls, which was an innovation during this campaign, and provided valuable objective information to the public. Growing resistance of journalists helped to break through information blockade, primarily on the television. Active public monitoring, including the use of video cameras by volunteers to record the violations in various regions provided a valuable evidence. Impressive legal case was presented by the opposition to the Supreme Court, which decided that, the right of the citizens for fair elections was violated, leading to the victory of the opposition. This victory has marked a historic step of Ukraine towards democracy; but many challenges remain to ensure its stability. Corruption has been the way of life in Ukraine for a long time, and its eradication will require significant efforts, including possibly the establishment of an anti-corruption body.

Mr Quentin Reed, Independent Anti-Corruption and Monitoring Expert, presented a recent publication of the Open Society Institute Justice Initiative “*Monitoring Election Campaign Finance: a Handbook for NGOs*”. In preparing the handbook the experience of several countries in the region was used (Armenia, Latvia, Poland, Slovakia, Romania, Ukraine and Russia). The handbook is a practical tool helping to set objectives and select criteria of the monitoring of election campaign finance. While it can be used in any country, the local context needs to be taken into account. Projects using this handbook were carried out in Russia, Mongolia, Poland, Romania, Serbia and Slovakia. The Open Society Institute Justice Initiative can provide further support up till end 2005 to organisations interested in carrying out monitoring in any of the areas identified by the handbook or looking for partners in monitoring. The handbook is available at www.justiceinitiative.org.

The **general discussion** brought to light a range of views and examples from both state institutions and civil society. Issues discussed include the regulations and international standards on financing of political parties and election campaigns; practical implementation and the role of state control institutions and public monitoring. The following issues were highlighted:

- Multiple surveys suggest that politicians continue to be considered the most corrupt group in the ACN region. Some progress has been made over the past two years to address the challenge of political corruption. New standards were developed at the Council of Europe, several countries have adopted new regulations for political party finance, and civil society is increasingly monitoring elections. Meanwhile, in practice political corruption remains a challenge.
- In the absence of well established and binding international standards in the field of political corruption, governments and civil society groups are developing various approaches based on national traditions and determined by current circumstances in their countries. In the ACN region, with young and unstable democratic traditions and equally young and underdeveloped political parties, controlling political corruption is a particular challenge. Political parties often refuse to

accept stricter rules, oppose new legislation or fail to respect the law. Political corruption in many countries is used as a tool in political rhetoric to win elections and to strengthen political regimes.

- Research shows that parties themselves often lack understanding of what political corruption is and how to tackle this problem. It is necessary to better define 'political corruption', clarify regulations in this field and identify categories of crimes and subjects that this term is covering. It is also useful to develop standards of ethical conduct and introduce rules and procedures, which would help prevent corrupt behaviour inside parties.
- Absence of effective control over the implementation of existing regulations appears to be another major common problem. Some countries are establishing new specialised institutions to strengthen this control.
- There is an increasing interest of civil society organisations in monitoring political corruption and elections. The monitoring is done using different criteria, for instance, sources of financing and examples of violation of rules. Monitoring helps in identifying problematic areas and issues, for instance, spending on media campaigns or advertising. International cooperation in public monitoring is another useful approach, e.g. experts from TI network take part in monitoring of other countries.
- Recommendations of the Council of Europe can provide a useful tool for further development of the debate about political corruption in the ACN region. Follow-up expert discussions will be a helpful way to move this debate further. The Council of Europe recommendations can also be used to develop a regional comparative study on trends in financing political parties and electoral campaigns in the ACN countries.

Summary of Session 5

ACN Work Programme 2005-2006

The final session was chaired by **Mr Patrick Moulette**, Head of the OECD Anti-Corruption Division. **Ms Olga Savran**, Manager of the Anti-Corruption Network for Transition Economies, presented the Work Programme of the Network for 2005-2006, including proposed follow-up for the issues discussed by the 6th ACN General Meeting.

Thematic activities

Active involvement of the delegates in the debate confirmed the high importance of the issues, which were put on the agenda. Limited time of the meeting allowed only identifying main priority issues and directions for follow-up activities. Continued expert discussion will be needed to deepen the understanding, and to elaborate policy guidance and reference materials for practical use by the ACN countries.

In particular, on *international anti-corruption legal standards* the ACN Secretariat will complete the development of the Glossary of International Legal Standards established by the OECD, Council of Europe and the UN anti-corruption conventions, and will organise its dissemination. An expert seminar on the subject of responsibility of legal persons for corruption will be organised to allow the ACN experts to learn from those countries which already have practical experience in this area. Finally, a continuation of the discussion about monitoring procedures established under the conventions will help the ACN countries to better understand the peer review mechanism, differences and common elements in the monitoring.

The discussion paper on *specialised anti-corruption institutions* and country presentations received a lot of interest and provided a useful basis for the follow-up activities. The Secretariat will complete the study of models of specialised anti-corruption institutions, including broader coverage of countries and models. It will be useful to elaborate further the principles of such institutions, including independence, accountability, effectiveness, etc.

The subject of *assessing the trends of corruption and the impact of anti-corruption measures* is a challenging one. The discussion paper and the interventions during the session provided guidance for the further elaboration of this subject, which will focus primarily at the role of national governments, and, possibly, at the elaboration of a check list for assessing governments' performance and impacts of anti-corruption policies and measures.

The session on *political corruption*, organised jointly with TI Russia confirmed the high priority of this subject in the ACN region. The discussion of this subject will need to be continued in order to identify possible common approaches and best practices, including further promotion of the Council of Europe's guidelines in this area.

In addition to the themes discussed at the meeting, the ACN Work Programme contains other issues, including: *conflict of interest*, *business ethics* and *budget transparency*. These issues will be addressed by specialised expert seminars, which will be organised by the ACN Secretariat, subject to available funding.

Istanbul Anti-Corruption Action Plan and participation of the ACN countries experts

In addition to the thematic activities, presented above, the ACN will continue the implementation of the *Istanbul Anti-Corruption Action Plan*, which was endorsed at the previous general meeting in September 2003. Under this Action Plan, Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, Tajikistan and Ukraine have undergone peer review of their legal and institutional framework for fighting corruption in 2004; recommendations were endorsed for each country. Kazakhstan and the Russian Federation will be reviewed in October 2005. During 2005-2006 the implementation of the recommendations will be subject to monitoring, which will involve on-site visits to countries and endorsement of monitoring reports at the plenary sessions of the Istanbul Action Plan. While this is a sub-regional initiative for selected countries only, involvement of the experts from other countries of the ACN region in the monitoring process will be very useful. The Secretariat will coordinate invitations to this process.

Next meetings of the ACN and National Coordinators

The next general meeting of the ACN will be organised in 2006/2007. Exact dates will be set at a later stage. Such a prolonged time period between the general meetings will allow the Secretariat and the ACN member countries to dedicate more time for practical activities. To guide the Secretariat in the meantime, meetings of the Steering Group will be organised more regularly, and will bring together country representatives. To ensure smooth communication and regular exchange of information, the Secretariat invited the ACN countries to appoint their National Coordinators for the ACN. Finally, the Secretariat proposed to the delegates to consider hosting various ACN events in their countries, which will increase countries' involvement in the elaboration of the programmes of events, facilitate sharing of national experience and give more visibility to the anti-corruption issues in the host-countries. The above issues will be followed up by the Secretariat on a bi-lateral basis.

Annex 1

Introductory Speeches

International and regional cooperation in fighting corruption

Prof. Dr. Feridun Yenisey, Institute for Global Understanding of Rule of Law, Bahçesehir University,
Turkey

I would like to greet and welcome the participants of Anti-Corruption Network, the OECD and EU member countries as well as international organisations on behalf of Turkey. Turkey is glad to host the 6th General Meeting of the Network which was established in 1998 in Istanbul.

Turkey recognises that the global economy presents great challenges and will require strong commitments. So, the fight against global corruption is a major priority in world policy. Corruption undermines the democratic institutions and the “rule of law” in every county, slows down the social and economic progress, undermines the confidence in democratic institutions and threatens the international security and stability. Corruption is an international crime and requires an effective international cooperation in creating rules and best practices in combating corruption.

There is a growing number of tools of international cooperation in the field of the fight against corruption that help countries to increase their national standards, such as *United Nations Declaration against Corruption and Bribery in International Commercial Transactions* (UN Resolution 51/191 of 16 December 1996); *International Code of Conduct for Public Officials* (UN Resolution 51/59 of 12 December 1996); *twenty Guiding Principles for the Fight Against Corruption* (24 November 1997); *Criminal Law Convention on Corruption* (27 January 1999); *Civil Law Convention on Corruption* (4 November 1999); *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* (15 February 1999); *Model Code of Conduct for Public Officials* (11 May 2000); *United Nations Convention against Trans-national Organized Crime* (12 December 2000); *United Nations Convention against Corruption* (9 December 2003).

In the OECD governments of 30 democratic countries and market economies work together to address economic, social and governance challenges. The OECD maintains its role as a driving force in the fight against international corruption. In this area it has developed a monitoring mechanism - the OECD Working Group on Bribery - to facilitate the application of peer pressure and to assist the process of change. The OECD has also developed other international guidelines, for example, it is doing important work in combating corruption in developing countries. The OECD has developed Recommendations relating to avoiding corruption in connection with Bilateral Aid Procurement.

The member states have to comply with the Council of Europe anti-corruption standards. GRECO’s objective is to improve the capacity of its members to fight corruption. GRECO is a mechanism for monitoring the implementation of the Convention for strengthening national and international anti-corruption efforts. GRECO monitors the member states and helps identify deficiencies in national anti-corruption policies, prompting the necessary legislative, institutional and practical reforms. GRECO’s Statute defines a master-type procedure, which can be adapted to the different legal instruments under review. Any Council of Europe member State or any non member State, which took part in the elaboration of the enlarged partial agreement, may join by notifying the Secretary General of the Council of Europe. Moreover, any state, which becomes party to the Criminal or Civil Law Conventions on Corruption automatically accedes to GRECO and accepts its evaluation procedures.

Turkey has economic and social links with countries in Central, Southern, Eastern Europe, Caucasus and Central Asia, and has mutual advantages of fighting corruption for the regional development.

The fight against corruption is one of the priorities of Turkey. The national anti-corruption policy is based on *Profit Oriented Organized Crime Act* adopted of 1999, the *Prevention of Money Laundering Act* of 1996 and the *Transparency Working Plan* of 2002. The new Criminal Code, which shall be effective on 1st of June 2005, replaces and improves the existing legislation.

Genç Osman Yarađılı will share the experience of Financial Crimes Investigation Board of Turkey later today.

OECD in the Global Fight against Corruption and Role of the Anti-Corruption Network for Transition Economies

Ms Carolyn Ervin, Deputy Director for Financial and Fiscal Affairs, OECD

I am very pleased to be here. My colleague Deputy Secretary General Richard Hecklinger attended the previous meeting of the Anti-Corruption Network for Transition Economies and came back so full of enthusiasm for what you are doing and your achievements that I felt very privileged and happy when Patrick Moulette asked me to participate in this meeting.

I would like to talk about the role of the OECD in the global fight against corruption. In order to do this, I think I should start by saying a few words about what the OECD is, then talk about our anti-corruption work and finally, say a few words on what we hope to achieve over the next few days.

This morning one of our Latvian colleagues told me that he thought the OECD was a group that produces a lot of statistics. Yes, the OECD does produce a lot of statistics, but we also do much more than that. In fact, the OECD really began with the Marshall Plan which was initiated by the United States after the Second World War in order to help rebuild the European economies. When people say 'Marshall Plan' they usually mean significant money. You hear calls for 'Marshall Plans' every time there is a big problem in the world. But at the OECD we know there was something perhaps even more important than the money that was contributed under the Marshall Plan. And this was one of the conditions for receiving the money: cooperation. When United States provided those funds they distributed them through OEEC, the Organisation for European Economic Co-operation. The countries that received the funds had to cooperate: meet together in committees, discuss their policies, and try to make sure that these policies were coherent and coordinated. Over the years a very strong tradition of cooperation developed. Eventually, the Marshall Plan was finished but the tradition of cooperation remained alive in the OECD which replaced that earlier organisation.

Sometimes one hears people call the OECD the 'rich countries club'. I must say that displeases our Secretary-General very much. He does not think we are so rich. And, more important, he has a different name for us. He says that, "we are the club of the reforming countries". That is why countries come to the OECD, because they are interested in change, they want to do better, want to improve their economic policies, and want to improve the social well-being of their citizens. They come to the OECD because the OECD is a place where countries can share their own experience and learn from each other.

If you come to the OECD on any given day you would find maybe 10 – 15 meetings going on just like the one that you are sitting in here today. The countries each have a microphone, there are some background documents and they are talking about the experience that they have had in trying to solve different problems. We work in almost every field of public policy: environment; labour markets; trade; and many other fields, including anti-corruption.

It is about cooperation and sharing. That is our fundamental method that we try to bring here.

The OECD work on anti-corruption law and enforcement is rather recent. Another group in the OECD works on prevention, for example, on ways to streamline regulation so that there are less opportunities for corruption or on ways to improve ethics in the public service.

Our own Working Group on Bribery group got started in the late 1980s on a very specific problem which is bribery in international business. This was not an easy issue. It took 7-8 years to gradually build consensus among our member countries on the actions to take. First, our members agreed that corruption is very damaging problem. And then they agreed that, working together, it was something that OECD countries could tackle with specific measures. In 1997 we negotiated the Anti-corruption Convention.

One of the features of the Convention is its very strong monitoring procedure. It started as a convention that was dealing with international trade and investment. And every one of our members was concerned that if they made it a crime for their companies to bribe overseas, their own companies would loose business, but bribery would continue.

It was very important to build confidence through monitoring to ensure that each member was fulfilling its obligations. Through monitoring, the parties to the Convention and the Secretariat have built up a certain expertise in what it takes to have an effective anti-corruption effort. That is one of the things that we bring to this meeting: some expertise, as well as our method of co-operation. And, of course, our conviction -- that I am sure all of you share --, that this is indeed a very serious problem that we do have to tackle.

The Anti-Corruption Network was launched in 1998, 7 years ago. Those 7 years were very interesting and exciting for countries that are involved. Several of you have joined the European Union; others are in the process of accession. With respect to anti-corruption, many of you have joined the conventions of the Council of Europe; several of you have joined the OECD Convention. It's been a very exciting time.

In fact, what we have here is a group with many different kinds of experience: OECD countries, entities like Hong Kong with long experience in fighting corruption, international organisations and countries which are at different stages of their experience of tackling this problem. Sometimes we find that when countries are starting out, the experience that might be most valuable to them is the experience of countries that are even just a few steps ahead. We are very encouraged about this group that has a very good mix of experience where every one will be able to contribute and learn.

The ACN Steering Group concluded in September 2004 that the ACN has been very successful in building awareness and in building political support for anti-corruption efforts, but now it is time to start working on implementation. Our agenda today and tomorrow begins to concentrate on concrete issues. We hope that a good dialogue will allow you to bring some concrete, useful ideas back to your capitals.

Finally, I wish to say a word about the Istanbul Action Plan that is going to meet tomorrow evening. This Action Plan was begun in September 2003. That is not even two years ago. But in fact it has been making terrific progress. Already in just this short time it has been able to review the policies and legislation of Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, Ukraine and Tajikistan. The Advisory Group meeting tomorrow will prepare a similar review of Kazakhstan and Russia, and launch a very important initiative of monitoring of implementation of policies and laws in these countries. We should applaud the very good progress that has been made by Istanbul Action Plan.

We are here to learn from each other. I am sure that on this side of the table we will be learning a lot from you. And your expressing your own points of view will help us as we shape the future work of this group. It is very important for us to know what situations you are facing so that we can better plan the activities that will help you the most.