



26th OECD/ACN STEERING GROUP MEETING
Summary Record
29 October 2021

1. Opening

The 26th ACN Steering Group Meeting took place on 29 October 2021 virtually via the Zoom platform. Deputy Director of the Directorate for Financial and Enterprise Affairs of the OECD, **Mr Antonio Gomes**, opened the meeting co-chaired by **Mr Patrick Moulette**, Head of the Anti-Corruption Division, OECD and **Mr Ivan Presniakov**, Deputy Head of the National Agency on Corruption Prevention of Ukraine.

Mr Gomes welcomed the participants to the 26th ACN Steering Group Meeting and summarized the 5th round pilot monitoring results. He congratulated Armenia and Ukraine for successfully adopting the pilot reports and praised the outstanding work done by the monitoring teams. Mr Gomes encouraged three other countries (Azerbaijan, Georgia and Moldova) to continue the process with constructive engagement and finalise their respective draft reports in line with the agreed methodology and timeline. He thanked all countries for their continuous collaboration stressing that developing new methodologies usually requires additional time and effort and the spirit of cooperation, professionalism and mutual respect will be crucial in this challenging and innovative work.

Mr Gomes expressed hope that the outcomes of the pilot would enable the ACN to roll out the full 5th round of monitoring for all 10 countries participating in the Istanbul Action Plan (IAP) early next year and develop Key Performance Indicators (KPI) for Regional Anti-Corruption Outlook. Mr Gomes further noted that the Matrix of High-Level Corruption Cases, which is inspired by the Working Group on Bribery's (WGB) similar instrument, will be an important tool for tracking trends, identifying challenges and finding solutions in addressing high-level corruption.

Lastly, **Mr Gomes** thanked the donors and member countries for their continued support. The support by the EU and the US have been pivotal for the regional work. Contributions of Liechtenstein and Norway, as well as the ACN countries' annual fees made the implementation of the ACN Work Programme possible. In conclusion, Mr Gomes reaffirmed the OECD support for the ongoing work of the ACN and its alignment with the OECD vision for a fair and transparent global economy.

The Steering Group adopted the **Agenda** of the meeting and the **Summary Record** of its 25th meeting.

2. ACN Activity Report 2021 and Work Plan 2022

Mrs Olga Savran, Manager of the Anti-Corruption Network for Eastern Europe and Central Asia, presented the ACN Activity Report 2021 and Work Plan for 2022, including four main directions of the ACN Work Programme:

- IAP monitoring;
- Law Enforcement Network (LEN) with the focus on high-level corruption;

- Business integrity;
- Country projects.

In regards to the monitoring, **Mrs Savran** noted that the novel indicators- based approach is a big step forward, at the same time the Pilot of the 5th round of monitoring has been challenging and provided important lessons learnt that will be used in finalising the monitoring methodology for the launch of the 5th round of monitoring. Mrs Savran proposed to the Steering Group to complete the work on the postponed pilot reports by December 23 and subsequently embark on the revision of the indicators and methodology for the 5th Round of Monitoring. Mrs Savran noted that the Secretariat aimed to present the finalized methodology at the High-Level Meeting in 2022.

Mrs Savran also touched upon the development of KPIs that should be based on Performance Indicators. She clarified that this work will be done with close cooperation with the OECD Public Governance Directorate, where the scope of work is overlapping.

Regarding the **LEN**, Mrs Savran underlined the success of the Network during the pandemic. Particularly, she mentioned the LEN virtual meeting held in May, the development of the Methodology for the Matrix of High-Level Corruption Cases and regional webinars on law-enforcement response to corruption in emergencies. Mrs Savran expressed hope for the adoption of the methodology of the Matrix, organizing in-person LEN and GLEN meetings and the development of a new communication platform for law enforcement officials.

Mrs Savran presented the main activities under the **business integrity** work stream. The planned activities include the following: preparation of the second business integrity survey of governments, business associations and companies; a study of Business Ombudsmen in the ACN countries; the ACN Business Integrity Group meeting as a part of the Global Business Integrity Roundtable and the OECD Global Anti-Corruption and Integrity Forum in 2022; and finally, the capacity building projects on business integrity that will be finalized with the European Bank for Reconstruction and Development (EBRD).

Mrs Savran touched upon two **country projects**: capacity building for anti-corruption law-enforcement bodies and an anti-corruption project in the energy sector in Ukraine; and capacity building for anti-corruption bodies, monitoring and donor coordination in Uzbekistan.

As a conclusion, **Mrs Savran** provided a fundraising update and reminded the countries to make necessary arrangements to pay their annual fees.

Mr Presniakov welcomed the promising multidisciplinary Work Plan for 2022 presented by the ACN Secretariat and opened the floor for comments and questions.

In response to Georgia's question, **Mrs Savran** confirmed that there is no exact date for the reports to be adopted, and the timeline for the finalization should be agreed upon at this Steering Group meeting. She also clarified that the reports are adopted based on consensus, i.e. all the countries should agree on the report, and once it is adopted it should be published.

Georgia, Moldova and Azerbaijan agreed on the 2-month period to finalise the reports but asked to postpone the deadline for submitting proposals for the methodology to the end of November.

Mr Moulette, Head of the Anti-Corruption Division, congratulated and thanked the countries that volunteered to test the new methodology within the pilot program. He emphasized that the purpose of the monitoring is to encourage countries to make changes and improve their policies and practices. He encouraged countries to complete the reports within the agreed deadline and assured that the Secretariat will help with this challenging task.

The Steering Group decided that outstanding pilot reports will be finalized for the adoption through a written procedure by December 23, and the deadline for providing proposals to revise indicators was postponed until the end of November 2021.

3. Selection of the IAP Chair

Ms Enery Quinones, the Chair of the Istanbul Anti-Corruption Action Plan (IAP), started with words of gratitude to the Secretariat for all the years of support and assistance during her five-year chairmanship. She emphasized that a chair is only effective when he/she can rely on the professionalism and advice provided by a competent and capable secretariat. She further stressed the accomplishments the ACN countries have made in these years. Ms Quinones noted that the initiation of a new and ambitious methodology has been challenging, and she sincerely commended all pilot countries for taking part in this exercise. She thanked countries for their inputs and observations that will be valuable in reassessing the different elements of the methodology. She emphasized that above all, the legacy of civility, mutual respect and consideration should be preserved by the ACN. She pointed out that peer reviews rely on trust and unified application of rules and that everyone deserves courtesy for roles that they play, be it civil society, government authorities, participants of the meeting, experts or the Secretariat. Finally, Ms Quinones noted that even though she will be resigning from the IAP chairmanship; she hopes to be able to contribute to the very important work of the ACN in the future.

Mrs Rusudan Mikhelidze, Head of the ACN Monitoring Programme, presented the proposed process of selection of a chair inspired by the WGB practice and in line with the OECD related rules.

The Secretariat will follow up on this matter in writing to the Steering Group to agree on the procedure and launch the process.

4. Methodology of the Matrix of High-Level Corruption Cases

Mr Andrii Kukharuk, the Anti-Corruption Analyst of the ACN Secretariat, presented the draft Methodology of the Matrix of High-Level Corruption Cases, a database of allegations, investigations, prosecutions and sanctions in such cases. He explained that the Matrix will be

modelled on the example of the OECD WGB Matrix of foreign bribery cases and will aim at strengthening enforcement in the region. Mr Kukharuk briefed the Steering Group about the development of the methodology, which started in 2020. The Secretariat received feedback on the draft from eight countries and held bilateral discussions with these countries in September-October 2021. Mr Kukharuk underlined the main objectives of the Matrix, such as providing in-depth analysis for evidence-based policy development; enhancing the capacity of law enforcement agencies to counter high-level corruption; and supporting proactive law enforcement action against high-level corruption.

Mr Moulette thanked the Secretariat and stressed the importance and usefulness of the tool for monitoring work. In his opinion, it also aims at encouraging countries to take steps in their enforcement processes and facilitates international cooperation. He encouraged the countries to use the tool in their fight against corruption.

Armenia, Moldova and Azerbaijan pointed out that they would need more time for internal consultations. **Romania** suggested amending the draft stating that the names of legal persons involved in high-level corruption cases should not be included in the Matrix, and **Kyrgyzstan** emphasised the need to inform countries about the upcoming LEN meetings that would discuss cases from the Matrix in advance. The Secretariat confirmed that the text would be amended as proposed by Romania and Kyrgyzstan.

The Steering Group decided to finalise the adoption of the draft Methodology of the Matrix through the written procedure within one month after the meeting.

5. Updates from donors and partners

Mr Antonio Gomes, Deputy Director of the Directorate for Financial and Enterprise Affairs (DAF) OECD, presented an update on the DAF work. He emphasized that DAF's main goal was to address the COVID-19 crisis, which included a broad analysis of the crisis's impact on the main policy areas, including anti-corruption. He noted that each of these areas has had an important role in shaping a policy response to the crisis. Mr Gomes highlighted two key work streams: updating business conduct-related standards and developing a policy framework on environmental, social and governance (ESG) risks.

In relation to the work of the WGB, **Mr Moulette** noted that the major accomplishment was the adoption of the 2021 Anti-Bribery Recommendation for further combating foreign bribery. The WGB continued its monitoring work and adopted the Phase 4 Report of Bulgaria. The upcoming Plenary in December 2021 will discuss the Phase 4 report on France. Additionally, he noted that during the Plenary, the lack of implementation of the Anti-Bribery Convention will be discussed to encourage countries to make progress in implementing the Convention. At the WGB December Plenary, the Global Dialogue with selected non-member economies will be launched.

Mr Jean-François Lengellé, Global Relations Secretariat, OECD Eurasia Competitiveness Programme, updated the Steering Group about the Competitiveness Program that supports the important work of the ACN to facilitate improvement of business climate and strengthen the institutional capacity of governments to monitor and evaluate their competitiveness. Mr Lengellé highlighted several upcoming activities such as work on the digital transformation of businesses in the Eastern Partner (EaP) countries within the framework of the EU for Business Initiative and a series of country-specific projects focusing on digitalization as well as peer review of Georgia and Azerbaijan. Regarding their work in Central Asia, Mr Lengellé listed another set of peer reviews starting with the export promotion system in Uzbekistan, investment promotion in Tajikistan and a project on competition policies and institutions in Uzbekistan.

Mr Hendrik Bosshammer, South-East Europe Division, OECD, presented the Fair Market Conditions for Competitiveness in the Adriatic Region project that is intended to support the creation of a level-playing field and fair market conditions in countries from the Adriatic Region to enhance competitiveness and integrity in a sustainable and inclusive way. He invited the Steering Group meeting participants to join the Fair Market Conditions for Competitiveness Global Kick-Off Event on November 25, 2021. The event aims to gather government officials, business representatives, civil society and academia to understand how collective action and OECD tools along with international practices can help fight corruption while supporting the creation of fair market conditions.

Mr Giulio Nessi, Directorate for Public Governance, OECD, updated the Steering Group on two issues. First, he started with an overview of the Public Integrity Indicators that measure the strength of regulatory and institutional frameworks, implementation of key practices, and related outcomes through 75 indicators grouped in six sets created based on the normative framework of the OECD Council Recommendation on Public Integrity. Secondly, he informed the Steering Group meeting participants about a new publication on lobbying - 'Lobbying in the 21st Century'. The report provides a further assessment of the progress made by countries in implementing the 2010 OECD Recommendation on Principles for Transparency and Integrity in Lobbying.

Ms Gwenaelle Le Coustumer, Head of Peer Review Unit - Global Forum, the OECD's Centre for Tax Policy and Administration (CTPA), presented the overall work of the Global Forum that is leading the work on the implementation of global transparency and exchange of information standards around the world. The Global Forum supports its 163 members in tackling offshore tax evasion by monitoring, reviewing and assisting jurisdictions in implementing the international standards on transparency and exchange of information for tax purposes. Ms Le Coustumer explained that two forms of information exchange between tax authorities are an exchange of information on request and automatic exchange of information. The latter involves the systematic and periodic transmission of "bulk" taxpayer information by the source country to the residence country concerning various categories of income. She further emphasized that all the information received is covered by tax confidentiality and must only be used for tax purposes. Nevertheless, she informed that this information can be shared with an anti-corruption prosecutor with the prior approval of the providing country.

European Commission (EC) welcomed the joint efforts of all involved stakeholders during the first year of implementation of the EU for Integrity Programme and reiterated that collective efforts are essential to implement evidence-based policies and advance the enforcement of anti-corruption legislation in line with the international standards and good practices. **Mr David Cullen** highlighted the preparation for the EU-EaP Summit to be held in December 2021. Notably, the Summit will endorse concrete and ambitious reform commitments and targets until 2025. The new agenda for the Eastern Partnership is structured around two pillars: socio-economic recovery, and governance and reform. Mr Cullen noted that the new Anti-Corruption Performance Indicators aim to step up the enforcement of anti-corruption legislation in line with international standards and good practices and thereby help to achieve relevant targets of the EU-EaP policy framework post-2020. He strongly encouraged the countries to engage in constructive discussions in the coming months so that the remaining issues can be jointly solved and their reports are finalized for adoption.

The US Department of International Narcotics and Law Enforcement Affairs, Ms Kristine Bushby, expressed her appreciation for the work of the ACN member countries and Secretariat in building an innovative methodology stating that dealing with the indicator-based process for the first time has not been without its challenges. A national anti-corruption policy clearly targeting high-level corruption, including at the transnational level, strengthening beneficial ownership requirements and public disclosure of interest and assets, including real estate transparency and focus on public procurement in infrastructure, are vital to addressing today's corruption challenges. **Ms Bushby** continued to mention the National Security Study Memorandum on the Fight against Corruption released by President Biden in June 2021, which established the fight against corruption as a core US National Security priority. As a result, the US departments and agencies are currently developing new approaches to working better with partners.

Open Government Partnership (OGP) spoke about the 2021 OGP Global Summit that will mark OGP's 10th anniversary. **Mr Paul Maasen** shared with the participants two main conclusions in anticipation of the OGP Global Summit. Firstly, a strong and inclusive co-creation process involving civil society and other stakeholders leads to well-designed and more ambitious commitments. Secondly, this collaboration/dialogue should continue during the implementation of action plans. He further noted that in the framework of the EU for Integrity Programme jointly implemented by the OGP and ACN in the Eastern Partnership, OGP organized the Community of Practice series on beneficial ownership transparency and provided financial support to civil society to enhance innovation and civil society engagement. Mr Maasen stressed the importance of around 100 action plans across the globe that will be delivered at a national and local level with hundreds of reform commitments to tackle. Lastly, Mr Maasen invited the plenary participants to join the upcoming OGP Global Summit.

Ms Desislava Gotskova, Regional Anti-Corruption Initiative (RAI), gave an update on ongoing activities in Southeast Europe. She introduced a new programme: Southeast Europe – Together Against Corruption, designed with UNODC and funded by the Austrian Development Agency. She emphasized that the goal of the programme will be achieved by enhancing the capacity of

governments, civil society organizations, the private sector and the media to prevent and fight corruption while effectively implementing the United Nations Convention against Corruption (UNCAC). Concerning whistleblowing, she introduced the EU-funded project “Breaking the Silence: Enhancing the Whistleblowing Policies and Culture in Western Balkans and Moldova”. The RAI Secretariat works to strengthen legislative frameworks, and institutional arrangements to protect whistleblowers in line with the new EU Directive on Whistleblower Protection and increase public awareness, especially of youth, about the importance of whistleblowing through regional-tested advocacy exercises. She finally mentioned the last three-year programme, “Combating corruption and organized crime in the Western Balkans through strengthening regional cooperation” which is focused on asset recovery, asset seizure, management, confiscation, disposal, international cooperation and the collection of asset recovery statistics.

The Asian Development Bank (ADB) noted that it continues to support the key operational priorities of ADB Strategy 2030 by strengthening governance and institutional capacity as well as implementing anti-corruption measures in their projects to enhance capacities of ADB stakeholders in preventing and detecting violations of integrity in public services. ADB's Office of Anticorruption and Integrity also organizes ADB learning series and produces knowledge materials that develop member countries' abilities to fight corruption, improve the quality of dialogue on governance issues, and help ensure adherence by ADB projects to the highest ethical standards.

The representative of **International Monetary Fund (IMF)**, **Tanja Santucci**, Senior Legal Counsel, updated the Steering Group on the current IMF initiatives in Ukraine, Azerbaijan and Moldova. She further noted that key short-term priorities include strengthening judicial independence, anti-corruption frameworks and institutions in line with international standards. She also highlighted the Regional Capacity Development Centre for the Caucasus, Central Asia, and Mongolia, which is a collaborative venture between the IMF, member countries (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan), and development partners. Finally, she pointed out that the IMF regularly cooperates with its international partners, including the ACN and OECD Secretariats. The IMF was delighted to discuss the new monitoring methodology and anti-corruption performance indicators with the ACN Secretariat in past meetings and will continue cooperation on governance and anti-corruption with the ACN and its members in the future.

World Customs Organization (WCO) commended the countries and the monitoring teams for the tremendous work carried out during the complex process of testing anti-corruption indicators. **Ms Maka Khvedelidze**, Lead Performance Measurement Officer, emphasized that the WCO is currently working to establish a WCO performance measurement mechanism covering all customs competencies. Four main dimensions will be measured and monitored: trade facilitation and economic competitiveness, revenue collection, law enforcement, public safety and security, and organizational development. Ms Khvedelidze noted that experience had shown that selecting indicators and making them a reality is a challenge, so a pilot project will be launched in early December to assess the feasibility of collecting data. In addition, a new e-

learning module on integrity has been developed and is now available to all members in English, French, Spanish, Russian, Portuguese and Arabic.

Mr Chiawen Kiew noted that the **EBRD** continues to work with its funding recipients and its member governments to improve public and corporate governance. This includes designing and implementing anti-corruption action plans with both prospective and current recipients of EBRD funding, including state-owned enterprises. The process also includes awareness-raising and technical capacity on business integrity and anti-corruption reforms. The EBRD has begun to assist countries with the establishment of Business Ombudsman Institutions and has recently facilitated the establishment of business ombudsmen offices in Albania, Armenia and Kazakhstan. The EBRD is also developing and conducting seminars on anti-money laundering and counter-terrorist financing (AML/CFT) for banking sectors. He mentioned the EBRD's recently published the Annual Integrity and Anti-Corruption Report 2020. In addition, the EBRD has allocated funds to further develop a joint project with the ACN on business integrity. He took the opportunity to express commitment and support for the monitoring process and indicators developed with the help of the EBRD colleagues. **Mr Kiew** called on member countries to continue their efforts to advance business integrity as an integral component of the fight against corruption.

The United Nations Development Programme (UNDP) thanked Mrs Olga Savran and the Secretariat for the tremendous work in testing pilot indicators and implementing its Work Programme in challenging times. **Mr Irakli Kotetishvili** mentioned the Sustainable Development Goal 16 as one of the critical enablers and a major driving force for promoting greater accountability and action against corruption in their region and globally. For 2020-2021, country offices of the UNDP were mainly focused on the immediate challenges such as supporting governments in delivering vital public services, developing guidelines and service softwares to improve the operating environment and strengthening mechanisms for prevention of corruption in times of COVID-19 pandemic. Various initiatives included building public expenditure transparency portals, improving public service delivery systems, e-learning sites for civil servants, COVID-19 hackathons, creating mobile one-stop centres, chatbots to respond to citizen requests and doctor denunciation channels. UNDP is currently planning a conference on strengthening the integrity of the health sector in the aftermath of the COVID-19 pandemic.

Mr Moulette thanked all participants on behalf of the OECD, welcoming the good discussion and promising future work of the ACN. He also thanked Ms Quinones, the outgoing Chair of the Istanbul Anti-Corruption Action Plan (IAP), the ACN Secretariat and the interpreters and closed the meeting.