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

Corruption Prevention in the Education, Extractive and Police Sectors in Eastern Europe and Central Asia

OECD

OECD Anti-Corruption Network for Eastern Europe and Central Asia

Corruption Prevention in the Education, Extractive and Police Sectors in Eastern Europe and Central Asia

About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world. Find out more at www.oecd.org.

About the Anti-Corruption Network for Eastern Europe and Central Asia

Established in 1998, the main objective of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) is to support its member countries in their efforts to prevent and fight corruption. It provides a regional forum for the promotion of anti-corruption activities, the exchange of information, elaboration of best practices and donor coordination via regional meetings and seminars, peer-learning programmes, and thematic projects. ACN also serves as the home for the Istanbul Anti-Corruption Action Plan. Find out more at www.oecd.org/corruption/acn/.

Please cite this publication as:

OECD (2017), *Corruption Prevention in the Education, Extractive and Police Sectors in Eastern Europe and Central Asia.*

TABLE OF CONTENTS

ACRONYMS

CAER   Centre for Analysis and Evaluation of Reforms, Moldova

CRIRSCO   Committee on International Standards of Accountability on Mineral Resources and Deposits

DEMO   Democracy Education Centre, Mongolia

EITI   Extractive Industry Transparency Initiative

INTES   Integrity of Education Systems

OSI AFA   Open Society Institute Assistance Foundation Armenia

NAUKMA   National University of "Kyiv-Mohyla Academy", Ukraine

NRGI   Natural Resource Governance Institute

OSCE   Organisation for Security and Co-operation in Europe

SSAC   Azerbaijan's State Students Admission Commission

PWYP   "Publish What You Pay" Coalition

UNOMIG   United Nations Observer Mission in Georgia

USETI   Standardised External Testing Initiative, Ukraine

ACKNOWLEDGEMENTS

INTRODUCTION

The advantages of a sector approach to preventing corruption are that it seeks to identify and address risks specific to the sector which might be overlooked by horizontal measures. Successful corruption prevention measures at sector level contribute to economic and social development and have a positively impact on foreign direct investment.

The ACN prepared this practical study due to a gap in research on the topic despite the advantages of the sector-focused approach and as a response to Network member demand. It follows the ACN 2015 study *Prevention of Corruption in the Public Sector in Eastern Europe and Central Asia* and the ACN seminar on corruption prevention in May 2016 at Issyk-kul, Kyrgyzstan, which included sessions on the extractive industry and education sector.

The ACN hopes that this study will provide additional tools to support policymakers and other stakeholders in preventing corruption at sector level. The objectives of this report are:

- To raise awareness about corruption types and risks in the three sectors, and the importance of eliminating those risks through targeted polices and measures;

- Share the experience of ACN countries in tackling corruption in these sectors through specific tools;

- Identify good practices implemented to prevent corruption in these sectors, at the level of government, NGOs, the private sector as well as multi-stakeholder initiatives.

The report focuses on preventive measures, rather than criminalisation and law enforcement. Sector definitions are inspired by the United Nations *International Standard Industrial Classification of All Economic Activities*, version 4.

The document consists of three sector-specific chapters: education, extractives and police. Each one follows approximately the same structure, beginning with a brief description of the sector, including regional specifics, continuing with an overview of the nature, main risks and consequences of corruption in each. Every chapter then provides an account of national prevention policies and practices, designated initiatives and tools in the ACN countries, as well as several case studies from the region. A short conclusion on the visible trends finishes off each section.

The description, risks, nature and consequences are based on secondary research and discussion with experts. The policies and practices are extracted from questionnaires submitted by ACN country government representatives, civil society, international organisations and the private sector, as well as additional material sent by other stakeholders. ACN received responses to the scoping questionnaire from 17 ACN members: Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Estonia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Serbia, Tajikistan, Ukraine and Uzbekistan. Several countries sent supporting documents. Case studies were gathered from the ACN seminar on corruption prevention in May 2016 in Issyk-kul, Kyrgyzstan, as well as through the submitted questionnaires, communication with experts and stakeholders. The ACN requested some stakeholders to provide additional filled out detailed questionnaires, documents or written information on specific successful policies/tools, which were then used in the report. Contributing parties that submitted completed questionnaires, other materials and information are listed in the "Acknowledgments" section.

The study was prepared over August - October 2016. The initial scoping questionnaire was sent out at the end of July 2016, with responses received in early September 2016.

While countries were asked to provide information on sector-specific policies for all sectors (with fifteen given as a reference, ranging from economic to public to governance sectors), this study focuses only on three of them as a pilot. These three were selected due to education and extractives being the focus of the ACN corruption prevention seminar at Issyk-kul in May 2016, already providing cases that deserved to be documented. Police is considered one of the most corrupt sectors worldwide and is of special interest to post-Soviet countries due to their ongoing reforms in this area.

The table below provides an overview of sectors of focus for anti-corruption policies in ACN countries. It includes those sectors that were communicated by country contact points as well as by NGOs and international organisations. The counterparts did not provide sector definitions with their questionnaires; therefore, the definitions of sectors might vary from one country to the next.[1]

Focus sectors for anti-corruption policies in ACN countries

ACN Country	Focus Sectors
Armenia	Agriculture, defence, education, energy, natural resources, healthcare, nature protection, police activity, state revenue collection, territorial administration and development, urban development
Bulgaria	All public sectors, defence, education and science, energy (sub-sectors: "electricity"; "oil"; "gas" and "natural resources"), police/ law enforcement, customs, taxation, health
Croatia	Judiciary, economy, public finances, agriculture, healthcare, science, education, sport, infrastructure, environment, transport
Estonia	All sectors
Kazakhstan	Police, healthcare, social development, mass media, Information Technologies (IT), communications, construction, public facilities and infrastructure, mining, space, aviation industry, defence, education and science, fuel and energy complex, environmental protection, public procurement, taxation, customs, finances, water resources, culture, sport, transport, tourism
Kyrgyzstan	National administration, administrative services (e.g. registration services), economy, public procurement, mining, environmental and forestry protection, fuel and energy complex, information and communications, transport, social protection, interaction with civil society, agriculture, food industry and soil reclamation, taxation, construction, education, healthcare, oversight functions over ecological and technical safety, law enforcement activities, law enforcement activities (road-traffic safety), customs administration
Latvia	All sectors
Lithuania	Public procurement; elections, political parties' activities and political campaign funding; environmental protection, healthcare, sport
Former Yugoslav Republic of Macedonia	Political sector, judiciary, public administration, law enforcement agencies, customs administration, local self-government, public sector, healthcare, labour and social policy, education and sport, private sector, media and NGOs, police
Moldova	Justice, security (incl. border management), education
Mongolia	Education, health, law enforcement, taxation, social welfare, foreign affairs, land authority, state registration authority, transportation, construction, state inspection, environment, justice
Montenegro	Education, public procurement, health, urban planning, local government, police

---

[1] The countries that did not fill out the questionnaire and hence are not represented in the table are: Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Romania, Russia, Slovenia, Turkmenistan.

Serbia	Political activities (s. a. financing political activities and political entities), public finance (s. a. public revenues, public expenditures), judiciary, police, spatial planning and construction, healthcare system, education and sport, media, judiciary
Tajikistan	Education, health, mining
Ukraine	Energy, banking
Uzbekistan	Finance, public education, banking, justice, information technologies and communications, labour and social protection, economy

Information collected so far allows for the following key conclusions and statistics:

- 16 ACN countries report a sector-specific focus in their anti-corruption strategies;

- 3 countries (Bulgaria, Estonia and Latvia) report on corruption prevention measures encompassing all sectors;

- Kazakhstan and Kyrgyzstan report the largest number of sectors of focus, if the countries with a reported focus on all sectors are not taken into account;

- A few countries also report specific anti-corruption strategies at municipal/territorial level: Armenia, Kazakhstan, Latvia, Lithuania, Macedonia, Montenegro;

- the sectors most frequently targeted by anti-corruption policies are:

  − Education (12 countries): all Central Asian (CA) and South East Europe (SEE) states, (as opposed to only 3 out of 7 Eastern Europe and South Caucasus (EESC);[2]

  − Health (11 countries): all SEE and 4 out of 5 CA states (in comparison to only 3 out of 7 EESC states);

  − police (6 countries); half of them from SEE;

  − 5 countries for each of: energy (3 from EESC), finance/banking, labour/social policy/protection/welfare/development (4 from CA), nature/environmental protection (3 from CA), sport (3 from SEE);

- Two countries report having a specific anti-corruption focus on privatisation (Montenegro and Serbia).

- Regional trends in sectors of focus for anti-corruption policy are the following:

  − Most prevalent sectors for CA countries are: education (all 5 countries reported it), health and labour/social policy/protection/welfare/development (4 countries per each);

  − Most prevalent sectors for EESC countries are: education, energy, health (3 countries per each), defence (2 countries);

  − Most prevalent sectors in SEE countries are: education, health (all 4 countries per each), police and sport (3 per each).

---

[2] Five Central Asia (CA) respondents: Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Uzbekistan; 7 Eastern Europe and South Caucasus (EESC) respondents: Armenia, Bulgaria, Estonia, Latvia, Lithuania, Moldova, Ukraine; 4 South East Europe (SEE) respondents: Croatia, Former Yugoslav Republic of Macedonia, Montenegro, Serbia.

EDUCATION

Sector Definition and Description

In this analysis, the education sector refers to the provision of formal education at any level or for any profession, public as well as private (UN, 2008).

Education systems and their outcomes vary across ACN countries and inside their borders and the outcomes can be affected by factors such as family income, location, ethnicity, gender, and the presence of a military conflict. A few trends are discernible nevertheless. For example, most countries in Eastern Europe and Central Asia have attained high literacy rates. The number of out-of-school children has fallen in most states, albeit at varying speeds (UNESCO, 2011). Positive trends are observed in both regions in terms of gender parity in primary and secondary schools, the teacher-student ratio, and participation in tertiary education. Central and Eastern Europe have seen an increase in budget allocated to education, which at the same time has been declining overall in Central Asia, with some exceptions (UNESCO, 2011). Many countries are facing problems in their education systems, such as poor correspondence between the education offer and labour market needs, substandard quality and low pay of teachers, underdeveloped infrastructure and equipment.[3] For some key education indicators in ACN countries, please refer to Table 1 below.

Table 1: Key education indicators in ACN countries

ACN country	Adult literacy rate, 2015[4]	Expenditure on education (% of GDP)	Enrolment rate in tertiary education, per 100 000 people
Albania	97.5	3.5 (2013)	6 015.2 (2014)
Armenia	99.8	2.2 (2014)	3 762.0 (2014)
Azerbaijan	99.8	2.5 (2014)	1 979.4 (2013)
Belarus	99.7	5.0	5 448.0 (2014)
Bosnia and Herzegovina	98.5	N/A	2 933.0 (2014)
Bulgaria	98.4	3.5 (2012)	3 934.0 (2014)
Croatia	99.3	4.2 (2011)	3 902.0 (2014)
Estonia	99.8	4.7 (2012)	4 909.4 (2014)
Georgia	99.8	2.0 (2012)	2 997.0 (2014)
Kazakhstan	99.8	3.1 (2009)	3 735.6 (2015)
Kyrgyzstan	99.5	6.8 (2013)	4 584.8 (2014)
Latvia	99.9	4.9 (2013)	4 507.5 (2014)
Lithuania	99.8	4.8 (2012)	5 087.4 (2014)
FYR of Macedonia	97.8	3.3 (2002)	2 928.0 (2013)
Moldova	99.2	7.5 (2014)	3 442.3 (2013)

---

[3] https://www.giz.de/en/worldwide/14383.html.

[4] Percent of persons 15 years of age and above.

Mongolia	98.4	4.7 (2011)	6 021.1 (2014)
Montenegro	98.7	N/A	3 824.4 (2010)
Romania	98.8	2.9 (2012)	2 944.8 (2014)
Russia	99.7	4.2 (2012)	4 877.5 (2014)
Serbia	98.0	4.4 (2012)	3 343.4 (2013)
Slovenia	99.7	5.7 (2012)	4 386.2 (2014)
Tajikistan	99.8	4.0 (2012)	2 649.9 (2015)
Turkmenistan	99.7	3.0 (2012)	836.8 (2014)
Ukraine	99.8	6.7 (2013)	4 768.7 (2014)
Uzbekistan	100 (99.99)	N/A	985.3 (2011)
Balkans average (ACN)[5]	**98.3**	**3.9[6]**	**3 824.3**
Central Asia average (ACN)[7]	**99.5**	**4.2[8]**	**3 135.6**
Central and Eastern Europe average (ACN)[9]	**99.6**	**4.5**	**4 080.3**
ACN average	**99.2**	**4.2[10]**	**3 792.1**
OECD average	**N/A[11]**	**5.4[12]**	**4 577.1[13]**

Source: UNESCO Institute for Statistics.

Nature, Risks and Consequences of Corruption in Education

According to a 2015 OECD report[14], "corrupt schools and universities hinder prosperity, cause long-term damage to societies, and raise the cost of education at the expense of equity

---

[5]   This includes the following ACN members: Albania, Bosnia and Herzegovina, Croatia, FYR of Macedonia, Montenegro, Serbia.

[6]   This average does not include Bosnia and Herzegovina, and Montenegro, due to no available data.

[7]   This includes the following ACN members: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan.

[8]   This average does not include Uzbekistan due to no available data.

[9]   This includes the following ACN members: Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Estonia, Georgia, Latvia, Lithuania, Moldova, Romania, Russia, Slovenia, Ukraine.

[10]   This average does not include Bosnia and Herzegovina, Montenegro and Uzbekistan due to no available data.

[11]   UNESCO statistics database provides data for only 12 OECD countries. World Bank statistics do not cover the missing countries either.

[12]   No data are available for Luxembourg; data for New Zealand and Japan are from 2014; data for Australia, Austria, Chile, Finland, Israel, Latvia, Netherlands, Slovakia, Spain, Sweden and the United Kingdom are from 2013; data for Czech Republic, Estonia, France, Germany, Ireland, Korea, Norway, Poland, Slovenia, Switzerland are from 2012; data for Belgium, Canada, Denmark, Hungary, Iceland, Italy, Mexico, Portugal and the United States are from 2011; data for Turkey is from 2006, and data for Greece are from 2005.

[13]   No data are available for Canada; data for Kazakhstan and Tajikistan are from 2015; data for Albania, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kyrgyzstan, Latvia, Lithuania, Mongolia, Romania, Russia, Slovenia, Turkmenistan and Ukraine are from 2014; data for Azerbaijan, Estonia, Former Yugoslav Republic of Macedonia, Moldova and Serbia are from 2013; data for Uzbekistan are from 2011.

[14]   OECD (2015), *Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development*, OECD Publishing, Paris

and quality". First, corruption in education is likely to impact the education system itself, by lowering the quality of education provision, reducing access to and equity of education, misallocating resources, and affecting the quality of education infrastructure and teaching and learning materials. As a result, unqualified graduates could occupy important job posts and perpetuate corruption to other sectors of the economy and in the society. Some countries do not recognise diplomas from states believed to have rampant corruption in their education system. On a larger scale, dishonesty in education may result in larger government expenses. It can stymie investment, lower positive spill-overs of investment on the economy, and impede economic development of countries (OECD, 2015). It has been estimated that developing countries would increase their GNP by 5 percent if they were to base their leadership upon merit as opposed to gender and social status (Hallak, J., M. Poisson, 2007). It should also be borne in mind that education is the largest or second largest budget item in most countries, and employs a significant share of civil servants and skilled workers (OECD, 2015).

Opportunities for corruption in education are numerous, and have particularly severe consequences for society and the economy. Also corruption in education takes several forms and affects different levels of education - political (*e.g.* in ministries or regional authorities), administrative (*e.g.* school administration), and classroom (Hallak, J., M. Poisson, 2007). A non-exhaustive list of corrupt behaviour in education sector comprises:

- School admissions: illegal charges for admission; "auctioning off" of school places; favouritism; misconduct during school admission tests (U4 Anti-Corruption Resource Centre, 2006);

- Tests and exams: bribery for good grades; release of exam results only upon payment; readmission of failing students under false names; exam questions or papers being sold in advance; private tutoring as a requirement for passing a test/exam (Eckstein, M., 2003);

- School infrastructure and resources: financing or subsidies based on favouritism or other unjust factors; embezzlement of school funds, e.g. unauthorised deductions from teachers' salaries by education officials; bribery for the purpose of sale (often for inflated prices) of low quality education materials such as textbooks, meals, uniforms; use of school property for private commercial purposes; abuse by staff of students' unpaid labour; teacher recruitment through bribery or sexual favours; "ghost teachers"; inflation of student numbers to obtain better funding; allocation funding to schools based on personal or political reasons; forcing students to purchase education materials copyrighted by professors; unfair allocation of construction, maintenance and school repair contracts (U4 Anti-Corruption Resource Centre, 2006);

- School offering: paid private tutoring outside of school, sometimes by teachers who withhold lessons on purpose (Silova Y., 2007);

- Licensing, accreditation, auditing: licenses and accreditation obtained through corruption; bribery of auditors for the purpose of hiding the misuse of funds (U4 Anti-Corruption Resource Centre, 2006).

Risk of politicisation extends to all of the above, for example, politicians sometimes allocate resources to particular schools to gain support, especially during elections. Economic circumstances may also create incentives for corrupt behaviour, such as low salaries of teachers or other staff in the education sector, inadequate school budgets and high unemployment, which trigger the pursuit of alternative ways of earning money by education staff, for example, through offering private tutoring or accepting bribes. Various institutional and regulatory factors, for instance weak regulations and professional norms, lack of oversight and external audit, insufficient sanctions for corrupt behaviour, foster corrupt behaviour as well (Hallak, J., M. Poisson, 2007; U4 Anti-Corruption Resource Centre, 2006).

According to 2013 Transparency International Global Corruption Barometer,[15] education does not appertain to the top corrupt sectors worldwide. Respondents from 107 surveyed countries perceived education as the 8th most corrupt institution out of 12, and none of the surveyed countries ranked it as the most corrupt institution. Yet, the respondents from the ACN region considered the education sector to be more corrupt (3.4 out of 5) than the global average (3.1 out of 5). In the region, Kyrgyzstan's score was the worst (4.4), while Estonia's was the best (2.3). The graph below provides the 2013 TI Global Corruption Barometer scores on corruption perception in education in ACN countries, compared to the ACN and the global averages.

Figure 1: Corruption perception in the education system among ACN countries, 2013.
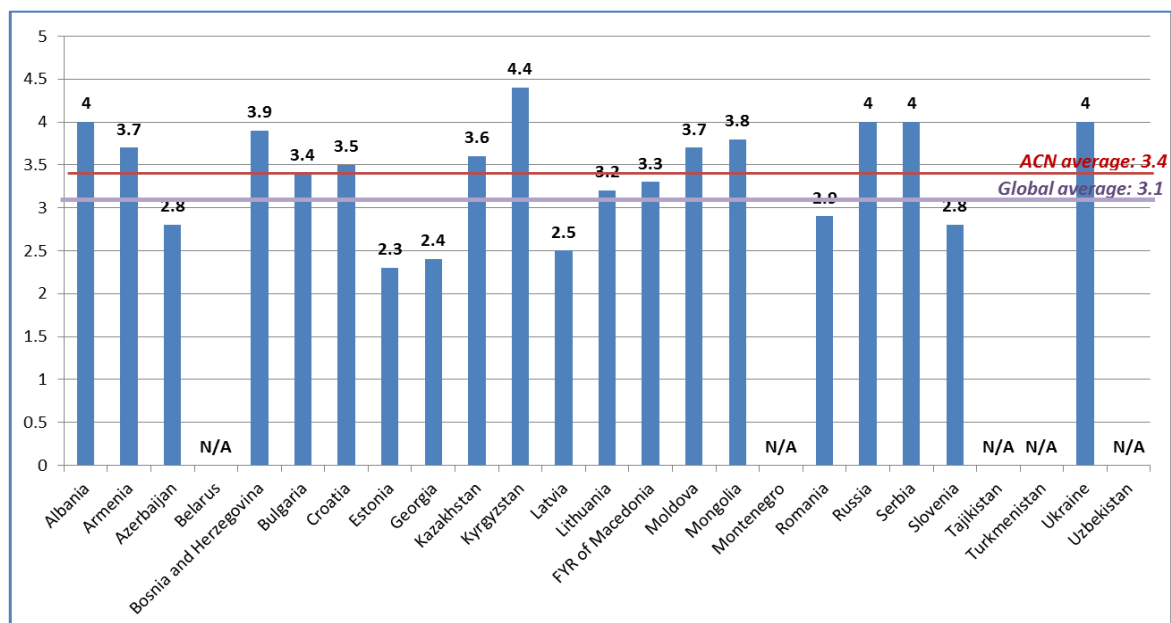
Note: Scores range from 1 to 5, with 1 representing "not at all corrupt", and 5 representing "extremely corrupt".

Source: OECD analysis based on Transparency International Corruption Perception Barometer 2013.

Such a perception is also largely confirmed by "People and Corruption Survey: Europe and Central Asia 2016".

Methodologies for Studying Corruption Risks in Education

Integrity of Education Systems (INTES)

The INTES approach has been developed by the OECD Directorate for Education and Skills upon the request from the Steering Group of the OECD Anti-Corruption Network for Eastern Europe and Central Asia. By assessing the integrity of education systems, it aims to develop a reliable map of the origins of corruption in education, effective ways of addressing them, as well as assessing risk of corruption incidence. The purpose is to support governments and stakeholders with evidence and analysis of the policy failures that provide education participants with incentives and opportunities to engage in violations of education integrity – in behaviours such as cheating, undue recognition of achievement, misappropriation of funds, favouritism in staffing decisions, etc. INTES explores corruption in relation to policy shortcomings that create demand for corruption – by creating *incentives* for problematic behaviour by participants in education and opening *opportunities* for that behaviour (Milovanovitch, 2013). Examples of areas that can be affected by shortcomings include access to education, quality of education, sound management of staff and resources, and capacity for corruption detection and prosecution. The INTES methodology applies minimum criteria to qualify an

---

[15] Data from the following countries were excluded due to validity concerns: Albania, Azerbaijan, Brazil, Burundi, Fiji, France, Germany, Lebanon, Luxembourg, Malawi, Russia and Zambia.

action or occurrence as an integrity violation. It considers infringements of rules and regulations that govern the education system or provide unfair advantages to selected participants in education, replicable and systematic actions, actions that originate in or occur in the education system, actions that involve some participants in education (OECD, 2012). INTES reviews integrity violations at all education levels, including pre-school, pre-university and higher education. It develops recommendations in consultation with key stakeholders and foresees their involvement in implementation (OECD, 2012).

Figure 2: INTES assessment process

INTES assessment focuses on causes of integrity violations in education

INTES assessment process

Steps	INTES logic	Lead question	Task
Step A	Integrity violation	What?	Determine what constitutes an integrity violation
Step B	Opportunity	How?	Determine what opens opportunity for violation
Step C	Incentive	Why?	Determine what creates incentive for violation
Step D	Pointers for policy action	What can be done?	Propose pointers for policy action to tackle integrity violations

- **Integrity violation** refers to the violation of generally accepted values and norms in the daily practice
- **Types** of integrity violations: corruption, favouritism, conflict of interest etc.

Source: Presentation of OECD Directorate for Education and Skills (EDU) at the seminar on "Impact of corruption prevention measures at national and sectoral levels", co-organised by ACN and OSCE, at Issyk-Kul, Kyrgyzstan, 26-27 May 2016.

Serbia was the first country to request an integrity assessment of its education system. INTES report in respect of that country noted that Serbia is confronted with integrity shortcomings in the areas of university admission and academic assessment, that the quality of learning in pre-university education is improving but remains far from satisfactory (for example, private tutoring is widespread and there are no professional codes of conduct), that certain weaknesses exist in staff policies, even though teachers are well-respected and sought-after, and that primary and secondary schools' budgets remain tight. The report underscored low capacity of the education sector in terms of prevention and detection of acts of corruption (Hallak, J., M. Poisson, 2007). The authorities of Serbia were quick to respond with some measures to address the report's recommendations (OECD, 2012) and Serbia's national anti-corruption strategy also made reference to the INTES assessment.

Open Society Institute Assistance Foundation Armenia (OSI AFA) commissioned the Center for Applied Policy to carry out an INTES study, with the hope that it would be a new, constructive and potentially more effective way to address corruption in Armenia's secondary and higher education. The Centre conducted an examination through desk research, site visits, interviews, data collection

and analysis, following which it produced a report and proposed recommendations. The expert team carried out two onsite visits to Armenia and conducted over 100 interviews and focus group meetings with stakeholders.

Some of the study's findings are that students are more likely to take private tutoring in later years of schooling (reaching 60% in grade 12) and that tutoring is more prevalent in the capital than in the rest of the country. It is enabled by the regulatory framework which is permissive of such forms of support as well as ill-suited school inspections and low student self-esteem. School management and operation is influenced by informal arrangements. Inefficiencies in recruitment and dismissal of staff employed in the sector are usually side effects of deliberate actions at the point of entry to the education profession. Compliance with the norms on recruitment and dismissal of school staff is estimated as weak. Two of the most visible manifestations of malpractice are the inflation of marks (grades) and marking in absentia. Some forms of academic dishonesty (cheating, fraud, plagiarism, etc.) are quite common in public universities due to ignorance and impunity.

OSI AFA has assessed the exercise positively, calling it a "highly effective and successful initiative". It considers the INTES methodology highly valuable in that it has set a new policy language and culture and made it possible to open a dialogue with the government. However, OSI AFA also reports some difficulty regarding the government's ability and/or willingness to produce an effective action plan for the education sector with clear and measurable benchmarks and indicators for further reforms.

The third country to be assessed with the help of the INTES methodology was Ukraine. In 2015/2016 OECD's Directorate for Education and Skills carried out a review of education system integrity in that country, which found that it is affected by numerous violations of education integrity, such as obtaining preferential access to school and pre-school education through favours and bribes; misappropriation of parental contributions to schools, undue recognition of learning achievement in schools; conflict of interest through paid supplementary tutoring by classroom teachers; textbook procurement fraud; and, in higher education, corrupt access, academic dishonesty, and unwarranted recognition of academic work (OECD, 2017).

The OECD report further finds that the corruption is the consequence of poor education system performance and weak compliance control. For instance, parents may conclude that teaching in class is inefficient and that bribing teachers or paying them for additional lessons is the only way to ensure the success of their children. Poorly maintained school buildings and classrooms may force principals to request payments in return for admission to schooling. Finally, widespread failure to ensure fair competition for places in graduate programmes may motivate students to bypass procedures by offering gifts and favours to faculty who select entrants (OECD, 2017).

Policies and Case Studies from ACN Countries National Policies[16]

Many countries in the ACN region implement education-specific corruption prevention policies and measures.

Armenia reports that education is one of the target sectors of the national Anti-corruption Strategy and accompanying Action Plan for 2015-2018. The Minister of Science and Education aims to eliminate corrupt activities in schools, particularly illegal fundraising. The country has taken the following actions in this field:

- The introduction of a uniform system for school graduation and university admission;
- centralisation of admission tests for private and state university applicants since 2012;

---

[16] Information on various strategies described in this section is included in anti-corruption plans developed by relevant authorities.

- competitive admission to vocational and pre-vocational schools since 2011-2012 with certain exceptions (e.g. arts, medical and sports schools);

- recruitment of secondary school teachers through open competitions;

- competitive recruitment of secondary school principals and the introduction of specific eligibility criteria for candidates to this post, i.e. completion of a training and certification (this requirement has been extended also to candidate principles of vocational education institutions);

- the adoption in May 2014 of "Teachers' Ethics Norms";

- the debarment of parents from public boards in case they hold posts as teachers and the limitation to up to three years of the term of membership in a board;

- mandatory publication by education institutions of annual reports on budget implementation starting from 2015-2016.

Azerbaijan's *National Anti-Corruption Plan for 2012-2015* sets forth specific actions to improve the education administration system and to raise awareness about corruption risks within it (OECD ACN, 2016). Specifically, it is planned to increase transparency in the examination process, provide for a more efficient review of complaints, adopt a code of ethics for teachers, publish information on vacant teacher positions, organise centralised and transparent examinations for teachers, consider introducing liability for out-of-competition recruitment of teachers, and explore the possibility of increasing teachers' salaries and strengthening their social protection. It is also envisaged to expand anti-corruption education by introducing courses on anti-corruption in higher and secondary vocational schools, develop specialised courses and organise artistic and intellectual contests on this topic among secondary school students (OECD ACN, 2016).

In 2016, the Constitution Research Foundation of Azerbaijan assessed the aforementioned measures as implemented at 84%. A number of concrete results have been attained: the establishment of a virtual test centre in several universities, the use of a Telephone Information Centre hotline for information on the examination process and for reporting examination irregularities, the approval of a government order for higher education institution directors to ensure transparent examination processes and to review complaints, the adoption of codes of conduct, advertising of teacher vacancies on the ministry's website and in the media, organisation of the first wave of centralised teacher recruitment in 2014-2015 for secondary and vocational education establishments, more severe punishment of heads of educational establishments for out-of-competition recruitment of teachers (OECD ACN, 2016).

The *New National Action Plan for 2016 - 2018 on Promotion of Open Government* of Azerbaijan foresees the improvement of electronic services in higher education institutions, as well as for children's admission to preschools and for the first grade of secondary schools, lyceums, gymnasiums, and ensuring regional coverage of electronic services. Furthermore, it aims to increase awareness and co-operation through developing curricula programmes on anti-corruption and ethics, conducting workshops, training, lectures and seminars on these topics (OECD ACN, 2016).

The ACN Fourth Round monitoring report on Azerbaijan prepared within the framework of the Istanbul Action Plan (IAP) includes an in-depth evaluation of the education sector for the first time in the IAP history. It acknowledges that the country has overall political will to combat corruption and improve education delivery. There has been more candidates applying for teaching posts, and many education-related processes are now managed online. At the same time, certain weaknesses are underscored, in particular, insufficient assessment of the impact of government efforts in terms of corruption prevention in this area and the lack of empirical data on citizens' daily experience of corruption in education establishments. The extent of informal parental payments and private tutoring by school teachers are named as the two most severe integrity risks. Azerbaijan is urged to strengthen enforcement, especially with regard to high-level education officials and to invest more consistently in corruption prevention, for example, by better ascertaining the typology of corruption and

introducing civil oversight over the Ministry of Education (OECD ACN, 2016). The desirability of greater stakeholder involvement in schools and universities is emphasised too. The detailed assessment and recommendations are available at: https://www.oecd.org/corruption/acn/Azerbaijan-Round-4-Monitoring-Report-ENG.pdf).

Bulgaria indicates that its *Anti-corruption Plan in the System of Education and Science for 2016-2020* consists of short and long-term measures. It assesses the following corruption prevention initiatives as particularly successful:

- greater collaboration with the non-governmental sector;

- the carrying out of planned or spontaneous checks by the Inspectorate of the Ministry of Education and Science based on a Methodology for Corruption Risk Assessment. The most recent inspections were carried out in the Centre for Control and Evaluation of the School Education Quality in May - June 2016;

- the provision of counselling and advice by the aforementioned Inspectorate to regional education departments on the proper and uniform application of the Conflict of Interest Prevention and Ascertainment Act.

Croatia reports that it has adopted the *Anti-corruption Strategy for Science, Education and Sport*, as part of the *National Anti-Corruption Strategy*, which is implemented by the Ministry of Science, Education and Sport.

In respect of Kazakhstan, the 2015 study by "PREKO Consulting", identified as the most problematic areas in the education sector standardised national testing, implementation of quality control, use of public funds, and college activity.[17] The authorities of Kazakhstan point to a sectoral focus on education in the *Anti-corruption Strategy for 2015-2025*. The Strategy relies on the provision of electronic services as the means to reduce corruption (Government of Kazakhstan, 2014), as well as the automation of competitions for vacancies in professional, technical and post-secondary education (Government of Kazakhstan, 2015b). Furthermore, providers with a known lack of integrity have been banned from participation in public tenders for food products in secondary schools and a single registry of such providers is planned to be established. Kazakhstan moreover plans to foster intolerance to corruption in education institutions by involving youth organisations and including anti-corruption education in study programmes (Government of Kazakhstan, 2015b). In addition to the general strategy on anti-corruption, in May 2015 the Minister of Education and Science adopted a *Comprehensive Plan for Countering Corruption in Education and Science for 2015-2017* (Government of Kazakhstan, 2015a).

Among concrete achievements so far, the authorities mention the adoption of the following decrees by the Minister of Education and Science:

- on the establishment of a Council on countering corruption in higher education institutions (2014);

- on banning of listed dishonest providers from participation in contests for provision of food to secondary education institutions (2015);

- on creating a list of dishonest service and product providers to students in preschools and high school, and to orphans (2016).

Kyrgyzstan reports that the government's anti-corruption policy adopted in 2012 *inter alia* covers the education sector. The Secretariat of the Council of Defence has put in place a detailed plan for reducing corruption in education on 20 July 2016. It has identified eight corruption zones, 60 risks, determined 203 actions and 27 additional actions. Besides, the 2015 law "*On education*" stipulates

---

17   http://www.anticorruption.gov.kz/rus/infocentr/news/?cid=0&rid=55.

that only a board of trustees of state or municipal education institution can collect financing or other material support on a voluntary basis, and that reports on how education institutions use financing must be publicly available. It would stems from this law that individual employees of education establishments do not have the right to ask for financial support from students or parents.

Kyrgyzstan mentions several specific achievements in terms of preventing corruption in education:

- the digitalisation of all student-related data in April-June 2016;

- the implementation of a pilot project on regulating extra-budgetary resources;

- the creation of a national accreditation council for approving accreditation agencies, as well as the formulation of minimum accreditation requirements for vocational education;

- the simplification of licensing requirements for legal entities carrying out education activities;[18]

- the piloting of an electronic queue management system for preschools in the city of Bishkek;

- the development of models for normative financing of preschools;

- the development of an interactive map of kindergartens and schools as of 1 September 2016;

- the establishment of uniform enrolment procedures for persons enjoying privileges in higher professional education;

- the introduction of new rules on acceptance to college based on a universal testing procedure;

- the instalment of video surveillance systems in college exam halls (so far established in five technical schools) and of electronic systems to record student attendance and performance;

- the enforcement of the principle "one college - one legal entity";

- the transfer of financing of kindergartens and schools under the umbrella of the Ministry of Education and Science;

- the development of software for a databank on the country's education organisations;

- the introduction in 2013 of a requirement for education establishments (except those in the field of research and development) to comply with the per capita financing principle.

Macedonia states that its State Programme for Prevention and Repression of Corruption, and for the Prevention and Decreasing the Incidence of Conflicts of Interest with an action plan for 2011-2015 inter alia includes education and sport as focus sectors. In terms of good practice, Macedonia mentions the carrying out of a qualitative analysis of the anti-corruption measures in the education and sport sectors and of a survey on citizens' perception of corruption. The survey was conducted in 2012 as part of a project "Promoting transparency and accountability in public institutions", implemented by the State Commission for Corruption Prevention (SCPC) and OSCE, with the goal to support the implementation of the State Programme for Prevention and Repression of Corruption and Conflict of Interests 2011-2015 (TI Macedonia, 2012). The project's goal was also to strengthen the capacity of the State Commission for Prevention of Corruption and to raise awareness of civil society and citizens on activities and challenges in preventing corruption (TI Macedonia, 2012).

Mongolia states that the education sector is covered in the *National Programme for Combatting Corruption and Strengthening Accountability and Justice*. Individual ministries, state agencies, local

---

[18]   For example, licensing time was reduced from 5 months to 20 days, and civil society representatives had been included into the responsible council; the list of documents required for licensing of kindergartens has been halved. The government reported that the incidence of undeclared kindergartens has significantly decreased as a result. Source: scoping questionnaire submitted by Kyrgyzstan, September 2016.

government organisations are to adopt and implement annual anti-corruption plans. As a particularly successful corruption prevention practice in education, Mongolia mentions "Check my university" initiative, implemented by the Democracy Education Centre (see further below).

Montenegro reports that it has implemented anti-corruption policy in education through measures, such as the development of Integrity Plans for all education establishments, the promotion of greater transparency in employment, the introduction of systems for testing and assessment of pupils' and students' knowledge and heightened awareness of citizens of the possibility to report corruption. As of July 2016, nine measures had been implemented, of which three had been partly implemented and two measures had not been implemented (Government of Montenegro, n.d.).

Serbia refers to a *National Anti-corruption Strategy for 2013-20*18, which comprises education and sport. It enumerates such key risks in the education sector as insufficient transparency of certain processes in educational establishments, wide discretionary powers in decision-making (for example, in terms of recruitment of personnel by principals) and insufficient control and lack of mechanisms for responding to irregularities and opportunities for undue influence by education inspections (Government of Serbia, 2013). Following the identification of those weaknesses, the authorities of Serbia have set out the following objectives for countering corruption:

- alter the legal framework pertaining to the appointment, position and powers of directors of primary and secondary schools, as well as deans of faculties;

- adopt new regulations governing education inspections;

- ensure transparency of procedures for registering, examining, grading and evaluating knowledge in all academic institutions;

- ensure that accreditation and subsequent performance control of public and private educational establishments is based on clear, objective, transparent and pre-determined criteria (Government of Serbia, 2013).

Tajikistan's *Anti-corruption Strategy for 2013-2020* has a section on education and health, where the high level of corruption in the education sector, especially during tests and exams and misappropriation of public funds, are emphasised as particularly worrying. The absence of regulations for education-sector employees and insufficient control are deemed to be the main reasons for bribery and embezzlement. The government prioritises the following actions to tackle corruption:

- the introduction of tests to enter education institutions;

- the development of education programmes and awareness campaigns for parents and students on anti-corruption topics;

- monitoring of corruption factors, strengthening of internal control and introduction of a mechanism to prevent illegal payments within this sector;

- improving the material well-being of education-sector employees within the available means (Government of Tajikistan, 2013b).

In the action plan for 2013-2020 appended to the Anti-Corruption Strategy (Government of Tajikistan, 2013a), the government sets out additional measures, including expert assessment of laws in 2014-2016, reform of the internal audit activities of the Ministry of Education, holding of discussions and debates on anti-corruption lessons, the creation of study programmes and materials on anti-corruption subjects for students and parents, etc. (Government of Tajikistan, 2013a).

As good practice, Tajikistan reports the National Testing Centre (NTC) for students' admission to universities established in 2008 (more information is provided below) and electronic testing during student Olympiads.

Civil Society Initiatives

Engagement of parents, for example, through parent associations, can be leveraged for improving school policy and strengthening oversight. Two initiatives implemented by Moldova's Centre for Analysis and Evaluation of Reforms (CAER) illustrate this point.

Administration of Informal Parental Payments in Secondary Schools

Moldova is currently implementing a noteworthy project in improving the process of collection and administration of parental informal payments in secondary schools. The goal is to increase the capacity of parents' associations to hold school administrations accountable for the expenditure of collected payments and to reduce instances of corruption. It also aims to improve the framework regulation for evaluating schools by the National School Inspectorate. Currently, 10 pilot schools are involved in the project.

The total amount of informal payments to secondary education institutions in Moldova was estimated at 287.3 million leu in 2013 (USD 2.2 mln), equalling 16% of the total budget allocated for education that year. Almost all Moldovan parents (96% in 2013) made informal payments to schools. The overall level of transparency on informal payments was very low: 66.6% of parents in Chisinau and Balti, and 66.5% of parents in rural areas reported that they had no or little knowledge about financial decisions taken by school administrations. There are no quantitative studies capable of pointing out gaps in terms of financial management in schools. However, recent qualitative studies indicate that headmasters consistently invoke the lack of budgetary funds as a reason for collecting informal payments.

The project aims to bring activities of parent associations in line with good practices and legal norms, to increase the transparency of payments through digital instruments for payment collection and via the government service for electronic payments. In addition, the project seeks to open the data regarding school and parent association expenses, and to involve parents and pupils in the decision-making process about expenditures of the collected money according to expressed priority needs. Lastly, it seeks to empower the National School Inspectorate through a revision of the regulatory framework on issues such as the collection and management of school payments, the elaboration of a methodology and guidelines for inclusion of such payments in school regulations, as well as guidelines and a methodology for evaluating the quality standards of schools.

Guide for Parents Associations

CAER also elaborated a Guide for Parents Associations with the view to support the implementation of the Code of Ethics for Teachers, to provide clear guidance and practical help on the relationship of parents associations with schools. The Guide includes examples of legal forms of association, statutes, budget, as well as the methods for reporting, monitoring and consultation.

Civil society can hold the government accountable for its delivery of services by independently gathering feedback to measure public opinion in relation to education services. Two initiatives from Mongolia and Ukraine, described below, have used online tools to improve integrity in education.

Democracy Education Centre (DEMO), Mongolia: "Check my university"

Democracy Education Centre (DEMO) is a non-governmental organisation, which has been working in the area of social responsibility since 2009. It launched the "Check my Service" initiative in 2012, in response to the high level of dissatisfaction with public services and the lack of public disclosure of information. Research carried out by civil society organisations in Mongolia during

2008 - 2010 showed that over 80% of respondents were unhappy with the public services they received.[19]

"Check My Service" seeks to assess the transparency and accountability of public services through the Community Score Card (CSC) tool. Services are monitored through individual feedback portals e.g. "Check My University", "Check My School", "Check My Clinic", "Check My Hospital" and many others. At the start of an assessment, a memorandum of understanding is signed between citizens, civil service organisations and the government, clarifying each party's roles and responsibilities. After this, an orientation workshop takes place for service recipients and providers. Service providers then conduct a self-assessment. Finally, service providers and recipients meet to discuss discrepancies in the scores. As a follow up, DEMO checks the implementation of action plans, tracks changes in public service delivery and advocates for policy action.[20]

Centre for Society Research, Ukraine

Centre for Society Research (CEDOS) describes itself as is an independent non-for-profit analytical centre that carries out research on state policy and social processes in education, migration and urban development issues in order to create progressive institutions and boost citizens' participation in decision-making. CEDOS reports that based on a student national survey conducted in 2015, 33.7% of respondents had faced corruption in universities. Moreover, according to the CEDOS national student survey from February 2016, more than 56% of students reported that they had faced a lack of information about universities when choosing where to study. To assist them, CEDOS has established "Profrights.org" as a first of its kind initiative in Ukraine. Its goal is to raise awareness about corrupt behaviour at university level. The web site displays data on various abuses of student and faculty members' rights on an interactive map, after conducting a rigorous authenticity check and publishes monthly graphics with updates on violations The website also informs students and teachers about their rights, obligations, and the means to defend their rights. It monitors the number and quality of university reactions to disclosed abuses. CEDOS has furthermore created an open database of vacancies in universities, and is now handing it over to the government, with the aim of improving transparency in the hiring process. An English version of the web site will eventually become available.

As of August 2016, a total of 548 cases had been submitted, and 407 published. According to Google Analytics, the website had received almost 20 000 visits during the admission campaign season of 11 July – 6 August 2016 as opposed to over 6 000 in June 2016. The website has 11 media partners and one student NGO counterpart. It is funded by a grant from the National Endowment for Democracy, (USD 25 520 during 1 May 2015 – 30 April 2016 and USD 33 000 during 1 July 2016 – 30 June 2017) and its Secretariat consists of six persons (a co-ordinator, an IT specialist, a Public Relations specialist, and several legal consultants).

"Profrights.org" gathers feedback on the website itself and on Facebook to constantly improve its services. It disseminates its findings through press conferences and roundtables in the capital and in the regions every three months. The website spends almost 70% of its budget on public relations, social media marketing, web design, graphics and events to raise awareness.

---

[19]   http://www.opengovpartnership.org/blog/madaleine-weber/2016/08/17/waste-disposal-water-delivery-citizen-empowerment-through-check-my.

[20]   http://www.opengovpartnership.org/blog/madaleine-weber/2016/08/17/waste-disposal-water-delivery-citizen-empowerment-through-check-my.

Figure 3: Ukraine's Profrights.org website
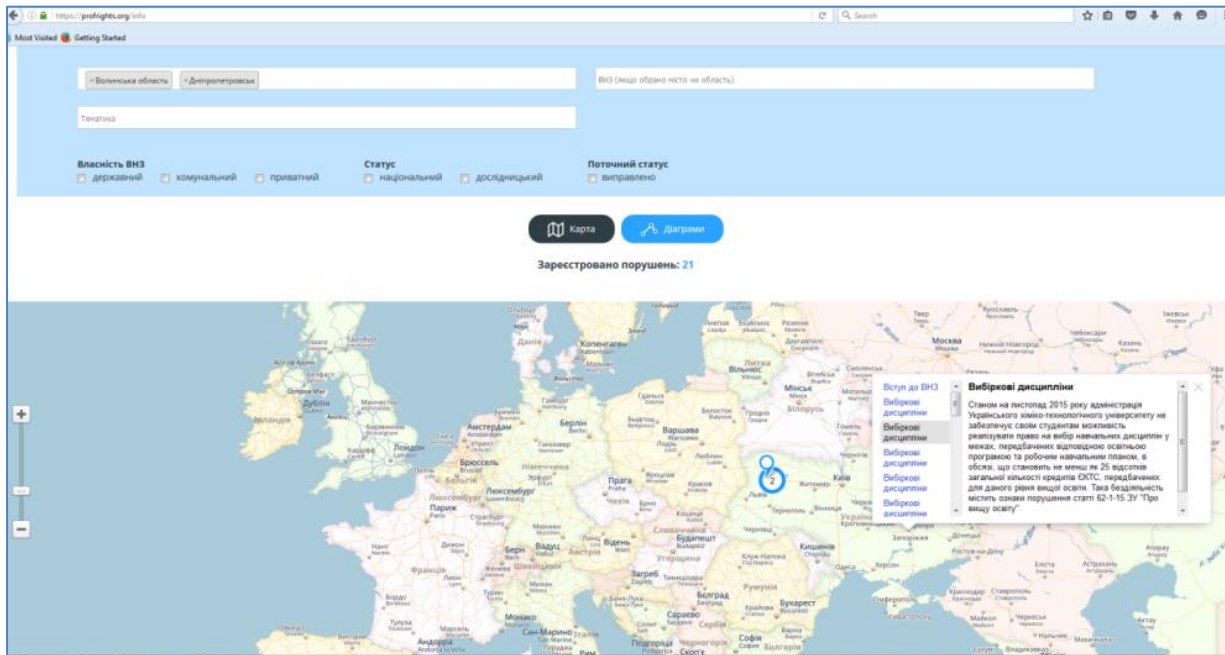
Source: https://profrights.org/info, accessed 21 September 2016.

Codes of Ethics

Civil society has also contributed to the development of codes of conduct.

For example, Moldova's Code of Ethics for Teachers, drafted upon the request of the Ministry of Education by experts of "Youth for Transparency in Education" and implemented with the support of UNDP, became operational in the 2015-2016 academic year. The Code sets standards and rules of conduct for all employees in general and technical education (e.g. they must not accept or demand money, gifts or services from students, parents and parents' associations regardless of purpose). The due implementation of the Code's provisions is yet to be assessed.

Case Studies

Integrity in Tests and Exams

E-tools and standardised external testing are notable good practices from the ACN region aimed at decreasing corrupt practices in education establishments, in particular, in access to higher education. Several examples of such on-going initiatives are provided below:

Azerbaijan's State Students Admission Commission (SSAC) was formed in 1992 and has reduced corruption considerably by supervising all university entry examinations.[21] Azerbaijan has improved integrity in higher education institutions entrance examinations through several measures, including the use of information technology (Hallak J., Poisson M., 2007).

In a questionnaire submitted to the OECD, Kyrgyzstan's unified testing of high school graduates, effective since 2002, was recognised as a good practice. The test is administered by the Centre for Evaluation of Education and Study Methods and the Ministry of Education, with the financial support of USAID.[22] It aims to ensure equal access to higher education based on honest, transparent and

---

[21]   http://www.tqdk.gov.az/en/commission/

[22]   http://www.testing.kg/ru/obscherespublikanskoe-testirovanie.html

independent testing. One of the main motivations for its introduction was to reduce inequalities currently existing among urban and rural children. It is administered in Kyrgyz, Russian and Uzbek languages, and all the tests are supposed to have the same level of difficulty. Students are expected to show ability for analysis and application of knowledge gained at school.[23] The test consists of three parts: mathematics, verbal-logical, and grammar of the native language.[24]

The Moldovan Community Association SOARTA conducted a successful citizen-led project on improving the integrity of high school graduation exams in the country, aimed at promoting ethical behaviour and institutional reform (Partnership for Transparency Fund, n.d.). The project was implemented in 2009-2010 with a budget of USD 25 000. It was carried out in 12 lyceums in Soroca district.

SOARTA took the following actions:

- Raised awareness through public forums and workshops about appeals procedures, which resulted in an increase of students contesting examination results;

- Provided a complaints hotline and information on recourse for contesting exam results. The superintendent of the Soroca District reported an increase in parents calling to inquire about teacher behaviour;

- Conducted surveys and built the capacity of parent groups, ministry personnel and experts to monitor the examination process (including teachers' behaviour and students' exam results), both during regular and final graduation exams;

- Developed, in cooperation with other stakeholders, recommendations for the local branch of the Ministry of Education;

- Supported the development of codes of ethics on academic integrity for teachers, students and parents, which were accepted by all stakeholders and formally approved in 2012; these were the first such district codes in Moldova;

- Developed two regulations to involve citizens and parents in the decision-making process in local educational institutions;

- Established an Education Ethics Committee within the Soroca District Council, with five members, including SOARTA, to oversee and guide anti-corruption efforts in education.

Tajikistan's Unified Entrance Examination (UEE) was established through a World Bank-funded project in 2014 to improve access, transparency and fairness of admission to universities. Prior to that, admission exams were designed, administered and graded by each university. The World Bank, with the support of the Russian Government and the Open Society Institute, provided capacity building to the National Testing Centre (NTC), and assisted in the design and implementation of the UEE.[25] In the first year, the introduction of the test has brought about a thirty percent increase in the total amount of university applicants as compared to the previous year.[26] In the first cohort accepted in 2014, forty-one percent of enrolled students were female, compared to thirty percent the year before. Students are able to take the UEE in their home regions and can apply to different universities, instead of coming to the capital as they did before. The government has begun a phased expansion of the UEE to other levels of professional education. The NTC has begun administering other large-scale national

[23]   http://www.testing.kg/ru/obscherespublikanskoe-testirovanie.html

[24]   http://www.testing.kg/ru/ort-test/ort-test/o-teste.html

[25]   http://www.worldbank.org/en/results/2015/05/04/higher-education-admission-reforms-to-provide-greater-opportunity-and-equity-for-tajikistans-youth.

[26]   https://sabzalieva.wordpress.com/2015/05/15/university-admissions-reform-in-tajikistan/.

and international student learning assessments in order to identify areas for improvement and provide information to policymakers and citizens.[27]

Ukrainian Standardised External Testing Initiative (USETI) is widely acknowledged as the most effective national tool so far instituted to prevent corruption in the education sector. USETI was established as part of the Millennium Challenge Corporation Threshold Country Programme in 2007,[28] with the goal of improving transparency and objectivity in the testing system. In 2009 and 2010, USAID formed the USETI Legacy Alliance, which brought more partners into the effort for improving higher education, among them private sector donors.[29] As a result, the ability of the Ukrainian Centre for Educational Quality Assessment and regional testing centres to develop, implement and conduct standardised tests has improved.[30] USETI established an effective security system for all testing processes; it developed legal and normative bases necessary for effective functioning of external testing and university admissions; increased public support for external standardised testing as a means of combating corruption associated with admissions to universities; ensured equitable access to test preparation, and began the elaboration and the laying of the groundwork for establishing transparent and equitable university admission procedures.[31] USAID expects that by the end of 2016, approximately 1.9 million students will have been accepted to university programmes based on merit of their preparation and knowledge.[32] The International Renaissance Foundation has also contributed to the development of this new testing system (Hrynevych L., 2009).

Conclusion

Although education does not appertain to the top most corrupt sectors worldwide, high levels of public spending and public employment as well as high enrolment of students in institutions of primary, secondary and tertiary education make this sector vulnerable to corrupt practices and integrity violations. Corruption in education takes many forms - political (*e.g.* in ministries or regional authorities), administrative (*e.g.* school administration) and classroom. In certain countries of the ACN region, the education sector is marred by corruption, dishonesty and misappropriation of public funds and of parental contributions.

The OECD's integrity assessment methodology (INTES) provides a suitable framework for mapping out the origins of corruption in education sector in relation to shortcomings in key areas of education and prevention policy, such as access to education, quality of education, sound management of staff and resources, and capacity for corruption detection and prosecution, and effective ways of addressing them. Serbia and Armenia were the first ACN members to request INTES-based assessments, followed by Ukraine. This exercise was estimated by both as highly effective as it has set a new policy language and culture in this domain and facilitated stakeholders' dialogue on most pressing reforms.

Several trends are apparent in the reported national policies, practices and case studies. Some ACN countries have conducted surveys on corruption perception, for example, Kyrgyzstan and Macedonia. Yet, it is obvious that it would be desirable for more countries in the ACN region to rely on evidence-based analysis to inform their anti-corruption policies and practices.

---

[27] http://www.worldbank.org/en/results/2015/05/04/higher-education-admission-reforms-to-provide-greater-opportunity-and-equity-for-tajikistans-youth

[28] https://www.usaid.gov/news-information/fact-sheets/ukraine-standardized-external-testing-initiative.

[29] https://www.usaid.gov/news-information/fact-sheets/ukraine-standardized-external-testing-initiative.

[30] http://www.americancouncils.org/programs/ukrainian-standardized-external-testing-initiative.

[31] http://www.air.org/project/ukrainian-standardized-external-testing-initiative-useti.

[32] https://www.usaid.gov/news-information/fact-sheets/ukraine-standardized-external-testing-initiative.

Securing the integrity of tests and exams has become priority in most of ACN members and has been assured through standardised, and in many instances computerised, tests as well as the use of video surveillance and other recording devices (in Azerbaijan, Kazakhstan, Moldova, Tajikistan). The introduction of a uniform system for school graduation and university admission has been also pursued by many countries and considered successful and effective in terms of corruption prevention (e.g. by Armenia, Kazakhstan, Ukraine).

Several countries undertook determined actions to boost integrity of education sector employees. Vacancies for teachers' and principals' posts have been openly advertised, and more objective and fairer recruitment processes have been instituted. Teachers' codes of conduct have been adopted, stipulating standards of acceptable comportment in general and technical education establishments in regards to acceptance of gifts and services from students, parents and parental associations (Moldova). Some ACN members went as far as to regulate parental involvement in the operation of schools and school budgets.

Furthermore, e-tools have been widely resorted to for the purpose of reporting corruption and gathering evidence, feedback as well as first-hand experiences of integrity violations from students, parents and other stakeholders on various dimensions of education services. The overall opinion seems to be that these tools are highly effective in preventing corruption.

Fewer countries have reported good practices in the sphere of depolitisation or prevention of conflict of interest or systemic issues such as teacher salaries, auditing, accreditation and licensing, school infrastructure and resources.

Finally, the many individual initiatives have made an important impact and could be qualified as national champions. For example, in Ukraine, certain professors' behaviour has altered after their transgressions were disclosed on the "Profirghts.org" web site.

References

Government of Kazakhstan (2015a), *Об утверждении Комплексного плана по противодействию коррупции в сфере образованияи науки Республики Казахстан на 2015 - 2017 годы* (On Establishing the Complex Plan for Fighting Corruption in Education and Science of Kazakhstan for 2015-2017), http://bilimvko.gov.kz/assets/images/files/borba_s_korrupsiey/kompl_plan-po-pr-korrupsii.pdf.

Government of Kazakhstan (2015b), *Об утверждении Плана мероприятий на 2015 - 2017 годы по реализации Антикоррупционной стратегии Республики Казахстан на 2015 - 2025 годы и противодействию теневой экономике* (On Establishing The Action Plan for 2015-2017 for Implementing the Anti-corruption Strategy for Kazakhstan in 2015-2025 and for Fighting the Informal Economy), https://tengrinews.kz/zakon/pravitelstvo_respubliki_kazahstan_premer_ministr_rk/hozyaystvennaya_deyatelnost/id-P1500000234/.

Government of Kazakhstan (2014), *Указ Президента Республики Казахстан "Об Антикоррупционной стратегии Республики Казахстан на 2015-2025 годы"* (Decree of the President of Kazakhstan "On the Anti-corruption Strategy of the Republic of Kazakhstan for 2015-2025"), http://online.zakon.kz/Document/?doc_id=31645304#pos=170;-231.

Government of Montenegro (n.d.), *Action Plan for Chapter 23 Judiciary and Fundamental Rights*.

Government of Serbia (2013), *The National Anti-corruption Strategy in the Republic of Serbia for 2013-2018*.

Government of Tajikistan (2013a), *План мероприятий стратегии на 2013-2020 годы, Приложение к Стратегии* (Action Plan for the Strategy for 2013-2020, Annex to the Strategy).

Government of Tajikistan (2013b), *Стратегия противодействия коррупции в Республике Таджикистан на 2013-2020 годы* (Strategy for Fighting Corruption in the Republic of Tajikistan during 2013-2020).

Hallak, J., M. Poisson (2007a), *Corrupt Schools, Corrupt Universities: What Can Be Done?*, IIEP Series: Ethics and corruption in education, UNESCO Press, Paris, http://unesdoc.unesco.org/images/0015/001502/150259e.pdf
Hallak, J., Poisson, M. (2007b), *Academic fraud, accreditation and quality assurance: Learning from the past and challenges for the future*, Higher Education in the World 2007, Global University Network for Innovation, GUNI, Barcelona.
http://etico.iiep.unesco.org/fileadmin/user_upload/ETICO/Topics/GUNI_hallak_poisson.pdf

Hrynevych, L. (2009), "Ethical issues and examination systems in Ukraine", in: Pliksnys, A. *et al.* (2009), *Transparency in Education in Eastern Europe*, IIEP Series: Ethics and corruption in education, IIEP-UNESCO: Paris.
http://unesdoc.unesco.org/images/0018/001864/186429E.pdf

Milovanovitch, M. (2013), "Understanding Integrity, fighting corruption: What can be done?", in *Transparency International Global Corruption Report: Education*, Routledge, New York, pp. 232-239, https://transparency.hu/wp-content/uploads/2016/04/Global-Corruption-Report-on-Educaton-ENG.pdf.

Narxos University (2016), *Общее руководство* (General handbook).

OECD (2012), *Strengthening Integrity and Fighting Corruption in Education, Serbia*, OECD Publishing, Paris.

OECD (2015), *Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development*, OECD Publishing, Paris, http://pac-files.oecd.org/acrobatebook/0315011e.pdf,
OECD ACN (2016), *Fourth Round Monitoring report on Azerbaijan* (forthcoming), OECD, Paris.
Partnership for Transparency Fund (n.d.), "Improving the Integrity of School Exams in Moldova", PTF Case Study Series No. 34, http://ptfund.org/wp-content/uploads/2015/05/Case-Study-SOARTA-Moldova.pdf.

Pliksnys, A.; Kopnicka, S.; Hrynevych, L.; Palicarsky, C. (2009), *Transparency in Education in Eastern Europe*, IIEP Series: Ethics and corruption in education, IIEP-UNESCO: Paris. http://unesdoc.unesco.org/images/0018/001864/186429E.pdf

Silova, I. (2009), *Private Supplementary Tutoring in Central Asia: New Opportunities and Burdens*, Paper prepared for the Policy Forum: Confronting the Shadow Education System: What Government Policies for Private Tutoring?. IIEP-UNESCO, Paris. http://unesdoc.unesco.org/images/0018/001851/185116E.pdf

TI Macedonia (2012), *Promoting Transparency and Accountability in Public Institutions*, Skopje, http://www.dksk.org.mk/en/images/book_osce.pdf.

TI "People and Corruption Survey: Europe and Central Asia 2016". http://www.transparency.org/whatwedo/publication/people_and_corruption_europe_and_central_asia_2016

U4 Anti-Corruption Resource Centre (2006), *Corruption in the Education Sector*, Issue 4, U4-Chr.Michelsen Institute (SMI), Bergen, https://www.cmi.no/publications/file/2563-corruption-in-the-education-sector.pdf.
UN (2008), *International standard industrial classification of all economic activities*, Statistical Papers, Series M No. 4, Revision 4, New York, http://unstats.un.org/unsd/publication/seriesM/seriesm_4rev4e.pdf.
UNESCO (2011), *Regional overview: Central and Eastern Europe and Central Asia*, http://fr.unesco.org/gem-report/sites/gem-report/files/191765e.pdf.
UNESCO Institute for Statistics, *Education* (database), http://data.uis.unesco.org/?queryid=181, accessed on 6-7 September 2016.

For further reference:
OECD ACN, *Prevention of Corruption in the Public Sector in Eastern Europe and Central Asia*, OECD Publishing, Paris.

EXTRACTIVES

Sector Definition and Description

For the purposes of this report, the extractive sector covers oil, gas and mineral resources. It does not extend to processed products, such as petro chemistry.

Southern and Eastern Europe has substantial reserves of certain minerals. For example, the South-East Europe region is particularly well-endowed in coal and lignite (Pešut, D., n.d.). The reliance on imports of oil and gas however also needs to be mentioned. Reserves of hydrocarbons, especially gas, are abundant in Central Asia (ADB, 2010). This region is also rich in mineral deposits, especially chromium, gold and uranium (ADB, 2010). As of 2014, countries with the largest oil rents were Azerbaijan (27.2%), Kazakhstan (21%), Russia (12.7%) and Turkmenistan (12%). Economies with the largest rents from gas by far are Turkmenistan (8.5%) and Uzbekistan (5.4%). Mineral rents were the largest in Mongolia (16.3%), Kyrgyzstan (7.2%) and Uzbekistan (5.6%).

Table 2 below provides details on oil, natural gas and mineral rents[33] in ACN countries, and lists their natural resources.

Table 2: Extractive rents and natural resources in ACN countries

ACN Country	Oil rents (% of GDP, 2014)	Natural gas rents (% of GDP, 2014)	Mineral rents (% of GDP, 2014)	Natural resources
Albania	4.7	0.0	0.5	Petroleum, natural gas, coal, bauxite, chromite, copper, iron ore, nickel, salt, timber, hydropower, arable land
Armenia	N/A	N/A	3.0	Small deposits of gold, copper, molybdenum, zinc, bauxite
Azerbaijan	27.2	1.3	0.1	Petroleum, natural gas, iron ore, nonferrous metals, bauxite
Belarus	1.0	0.0	0.0	Timber, peat deposits, small quantities of oil and natural gas, granite, dolomitic limestone, marl, chalk, sand, gravel, clay
Bosnia and Herzegovina	N/A	N/A	0.7	Coal, iron ore, bauxite, copper, lead, zinc, chromite, cobalt, manganese, nickel, clay, gypsum, salt, sand, timber, hydropower
Bulgaria	0.0	0.0	1.5	Bauxite, copper, lead, zinc, coal, timber, arable land
Croatia	0.5	0.2	0.0	Oil, some coal, bauxite, low-grade iron ore, calcium, gypsum, natural asphalt, silica, mica, clays, salt, hydropower
Estonia	N/A	N/A	0.0	Oil shale, peat, rare earth elements, phosphorite, clay, limestone, sand, dolomite, arable land, sea mud
Georgia	0.1	0.0	1.0	Timber, hydropower, manganese deposits, iron ore, copper, minor coal and oil deposits; coastal climate and soils allow for important tea and citrus growth

---

[33]   Rents are the difference between the value of production at world prices and total costs of production. http://www.indexmundi.com/facts/indicators/NY.GDP.PETR.RT.ZS.

Kazakhstan	21.0	1.0	2.6	Petroleum, natural gas, coal, iron ore, manganese, chrome ore, nickel, cobalt, copper, molybdenum, lead, zinc, bauxite, gold, uranium
Kyrgyzstan	0.5	0.0	7.2	Hydropower; gold, rare earth metals; locally exploitable coal, oil, and natural gas; other deposits of nepheline, mercury, bismuth, lead, and zinc
Latvia	N/A	N/A	0.0	Peat, limestone, dolomite, amber, hydropower, timber, arable land
Lithuania	0.1	N/A	0.0	Peat, arable land, amber
FYR of Macedonia	N/A	N/A	2.9	Low-grade iron ore, copper, lead, zinc, chromite, manganese, nickel, tungsten, gold, silver, asbestos, gypsum, timber, arable land
Moldova	N/A	N/A	0.0	Lignite, phosphorites, gypsum, limestone, arable land
Mongolia	4.7	N/A	16.3	Oil, coal, copper, molybdenum, tungsten, phosphates, tin, nickel, zinc, fluorspar, gold, silver, iron
Montenegro	N/A	N/A	0.0	Bauxite, hydroelectricity
Romania	1.0	0.3	0.0	Petroleum, timber, natural gas, coal, iron ore, salt, arable land, hydropower
Russia	12.7	0.5	1.1	Oil, natural gas, coal, and many strategic minerals, reserves of rare earth elements, timber
Serbia	1.3	0.1	0.6	Oil, gas, coal, iron ore, copper, zinc, antimony, chromite, gold, silver, magnesium, pyrite, limestone, marble, salt, arable land
Slovenia	0.0	0.0	0.0	Lignite, lead, zinc, building stone, hydropower, forests
Tajikistan	0.1	0.0	1.3	Hydropower, some petroleum, uranium, mercury, brown coal, lead, zinc, antimony, tungsten, silver, gold
Turkmenistan	12.0	8.5	0.0	Petroleum, natural gas, sulfur, salt
Ukraine	0.7	0.8	3.8	Iron ore, coal, manganese, natural gas, oil, salt, sulfur, graphite, titanium, magnesium, kaolin, nickel, mercury, timber, arable land
Uzbekistan	2.6	5.4	5.6	Natural gas, petroleum, coal, gold, uranium, silver, copper, lead and zinc, tungsten, molybdenum

Source: The World Bank, "Data"; Central Intelligence Agency (n.d.).

Nature, Risks and Consequences of Corruption in Extractives

International studies show that mining, and oil and gas sectors are some of the most corrupt and prone to bribes of large monetary value. This is explained by the fact that they tend to involve large and complex financial transactions, as well as advanced technology and legal processes. Often, the remoteness of activities complicates effective oversight (Ernst & Young Global Limited, 2014). Adding to the risk are the frequent monopolies in the industry and its supporting infrastructure, such as pipelines, terminals and ports,[34] as well as numerous inadequately managed and supervised state-

---

[34] According to information shared by Mr. Maksat Kobonbaev, Deputy General Director, Z-Explorer, with ACN, May 2016.

owned companies, which render the bidding and tendering process more perilous (Ernst & Young Global Limited, 2014).

The *2013 Resource Governance Index (RGI)*, which measures the quality of governance in the oil, gas and mining sector in 58 countries, notes "a striking governance deficit" in natural resource management worldwide (Resource Watch Institute, 2013). From the five ACN countries included in the RGI list[35] (Azerbaijan, Kazakhstan, Mongolia, Russia and Turkmenistan), none have had "satisfactory" ranking recently: Kazakhstan, Russia and Mongolia have received "partial" ranking, Azerbaijan "weak" and Turkmenistan a "failing" ranking (Resource Watch Institute, 2013).

As far as transnational bribery is concerned, the 2014 OECD *Foreign Bribery Report* found this type of bribery to be very widespread in the extractive sector, with almost one in five cases (OECD, 2014). This is also confirmed by Transparency International's latest *Bribe Payers Index Report 2011*[36], according to which companies in the mineral, oil and gas industries are in the bottom quarter as some of the most likely to pay bribes abroad: mining at 15th place, and oil and gas at 16th place out of 19 (Transparency International, 2011). The same report also found that companies in these sectors are more likely to pay bribes to high-ranking officials, rather than engage in petty or private-to-private corruption (Transparency International, 2011). Mining, and oil and gas activities in emerging markets encounter heavy bureaucracy with multiple interfaces and relatively low salaries of officials, increasing the risk of bribe extortion and offer (Ernst & Young Global Limited, 2014).

Corrupt behaviour may occur in different components of the extractive value chain, for example (OECD, 2016):

- Awarding of mining, and oil and gas exploration rights;
- Procurement of goods and services;
- Selection of joint ventures or other business partners;
- Hiring of local staff;
- Enforcement of local content obligations;
- Commodity trading;
- Revenue management;
- Customs clearance and immigration (Ernst & Young Global Limited, 2014);
- Tax collection;
- Social expenditures;
- Management of fossil fuel subsidies;
- Regulation and monitoring of operations.[37]

Corruption increases the cost of doing business and deters investment, along with its accompanying benefits to the country. It lowers the revenues from the extractive industry and compromises the quality of goods and services produced (OECD, 2016). It may also contribute to

---

[35]   The RGI evaluates four key components of resource governance in each country: Institutional and Legal Setting; Reporting Practices; Safeguards and Quality Controls; and Enabling Environment. The Index (See Figure 1) assigns a numerical score to each country and divides them into four performance ranges: satisfactory (71–100); partial (51–70); weak (41–50) and failing (0–40).

[36]   The latest available report is from 2011; the report ranks 28 largest economies according to the perceived likelihood of their companies to pay bribes abroad.

[37]   According to information shared by Mr. Maksat Kobonbaev, Deputy General Director, Z-Explorer, with ACN, May 2016.

environmental degradation. Tackling corruption in the extractive sector therefore is not only important by itself but also consequential as it has the potential to benefit countries' economic and social development. Mining, and oil and gas industries can generate large revenues, spawn technological innovation and knowledge spill-over, and foster related industries, *e.g.* construction and transportation.[38]

Policies, Practices and Case Studies from ACN countries

National Policies and Practices

Combating corruption within the mining sector is a priority for Armenia (AUA CRM, CENN, 2015). The country reports that its *2015-2018 National Anti-corruption Strategy and Action Plan* focus *inter alia* on the prevention and fight against corruption in the energy and natural resources sector. As a successful measure, Armenia mentions the implementation of the "One Window" concept, which has simplified communication with subsoil users. The digitalisation of information on all mines and deposits registered in the Republican Geological Fund has also produced positive effects.

Bulgaria refers to its *Anti-corruption Plan in Energy* and the successful implementation of the Plan by the Ministry of Energy and state-owned companies active in the sector.

Estonia's *Anti-Corruption Strategy 2013–2020* pays special attention to anti-corruption measures related to "strategic decisions" in energy, among other sectors.

Kazakhstan reports that its *2015-2025 Anti-corruption Strategy* has a focus *inter alia* on the mining industry. Dedicated ministries and committees have specific plans for implementing the Strategy and ethics officers have been appointed within ministries and committees to deal with citizens' complaints. Additionally, *the 2012 Concept for Developing the Geological Sector in Kazakhstan* (Government decree no. 1042) seeks to simplify the provision of geological information through a portal of an integrated information system "Single Government System of Governance of the Mining Activity of Kazakhstan". The *Strategic Plan of the Ministry of Oil and Gas for 2014-2018* (Government of Kazakhstan, 2013) states that the portal aims to improve the effectiveness of governance in the areas of oil and gas, petrochemical industries, and the transportation of hydrocarbons. It provides all information related to mining, including on the bidding procedure, the volumes of extraction, processing, transportation and sale of products. As a good practice, Kazakhstan also lists its work in the framework of the Extractive Industry Transparency Initiative and of the Committee for Mineral Reserves International Reporting Standards – more detailed information on both is provided below.

Kyrgyzstan's Agency for Geology and Mineral Resources has implemented a sectoral Anti-corruption Action Plan. It identified 13 corruption schemes and established seven working groups to tackle those challenges.[39] Implementation began in April 2014. As of May 2016, 78.7% of actions have been completed or partly completed, 6.6% have not been completed, and 14.7% have been removed from the plan.[40] The following good practices are reported:

---

[38] According to information shared by Mr. Maksat Kobonbaev, Deputy General Director, Z-Explorer, with ACN, May 2016.

[39] Mr. Ulan Ryskulov, Deputy Director of the State Agency on Geology and Mineral Resources, Kyrgyzstan, Presentation "Предотвращение коррупции в горнодобывающей отрасли: опыт КР" (Preventing corruption in the Mining Industry: the Experience of Kyrgyzstan), ACN seminar on corruption prevention, Issyk-kul, Kyrgyzstan, May 2016.

[40] Mr. Ulan Ryskulov, Deputy Director of the State Agency on Geology and Mineral Resources, Kyrgyzstan, Presentation "Предотвращение коррупции в горнодобывающей отрасли: опыт КР" (Preventing corruption in the Mining Industry: the Experience of Kyrgyzstan), ACN seminar on corruption prevention, Issyk-kul, Kyrgyzstan, May 2016.

- Contracts and licenses:
  - An electronic interactive map of deposits has been launched;
  - Contracts and licenses are awarded on a competitive basis (through tenders and auctions);
  - Applications for contracts and licenses are registered in a database that is accessible to key stakeholders;
  - An independent administrative agency with sufficient capacity is now responsible for awarding contracts and licenses.
- Procurement:
  - Results of the bidding process, as well as information on contract and license recipients, are published;
  - The procurement procedure for subsoil users has been improved. As a result, in 2014-2015, the budget received 400 mlm som from auctions, or 10 times more than in 2013.
- Revenue transparency:
  - All payments to the government (taxes, proceeds, shares of profits) are deposited in a treasury account, and are traceable and disclosed to the public;
  - The government's share of extractive industry revenues is included in the budget. These budgets are published (*e.g.*, through the EITI – see further below).
- Audit and monitoring:
  - An independent agency monitors the exploration, exploitation and production process to ensure regulations are complied with, effectively separating control functions from the key regulatory agency, *e.g.* the Ministry of Natural Resources;
  - Extractive companies' accounts are subject to regular audits.
- Civil society empowerment:
  - There are media that are well trained in the topics related to governance of the extractive sector.

Kyrgyzstan furthermore mentions the development - for the first time - of two interactive maps: a map of mineral resources, which includes reserves and details of site locations, and a map of licensed areas. Both are accessible on the website site of the Agency of Geology and Mineral Resources. The information on licenses and active companies can now be received in a matter of minutes, whereas previously the search took more than a month.[41] The rationale for creating those maps was the conclusion reached by the Working Group of the Defence Council that governance and decision-making processes in the sphere of mineral resources were not transparent and thus conducive to corruption. In the past, accurate information on available mineral resources or maps of allocated territories/zones were lacking. Therefore, it was not uncommon for employees of the licensing department to give out information on available licensed areas in exchange for monetary reward.

---

[41]   http://kyrtag.kg/society/v-kyrgyzstane-razrabotali-interaktivnuyu-kartu-mestorozhdeniy-.

Kyrgyzstan Interactive Map of Deposits
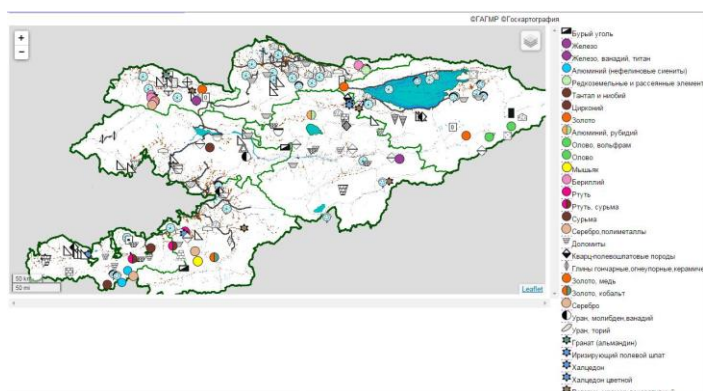
Source: Presentation by Mr. Karataev, Presentation on "Усилия государства и некоторые достижения в сфере предупреждения коррупции в Кыргызской Республике" (Government Efforts and Some Achievements in the Sphere of Preventing Corruption in Kyrgyzstan), Issyk-kul, Kyrgyzstan, May 2016.

Mongolia mentioned the EITI as a national good practice and made reference to an adopted template for Local Development Contracts between minerals licence holders and local governments. The template mandates local governments to enhance participation of local communities in contract negotiation and monitoring of implementation. Joint committees, composed of representatives from the local government, license holders and citizens in equal numbers, are to negotiate the contract. "Publish What You Pay Coalition" (see further below) played a crucial role in promoting the principle of public participation and in ensuring that local agreements are disclosed and acknowledge the need of local impact management and development.[42]

Tajikistan has a focus on the mining industry in its National Anti-corruption Strategy, implemented by the Ministry of Natural Resources.

Multi-Stakeholder Initiatives

Numerous multi-stakeholder initiatives have been launched and are being carried out in the ACN region. The selected initiatives described below are presented in an alphabetical order.

Committee on International Standards of Accountability on Mineral Resources and Deposits

The Committee on International Standards of Accountability on Mineral Resources and Deposits (CRIRSCO), formed in 1994 under the auspices of the Council of Mining and Metallurgical Institutes, is a grouping of representatives of organisations that are responsible for developing mineral reporting codes and guidelines in Australia, Brazil, Canada, Chile, Europe, Kazakhstan, Mongolia, Russia, South Africa and the USA. The combined value of mining companies listed on the stock exchange of these countries accounts for more than 80% of the listed capital of the mining industry. CRIRSCO's goal is to promote high standards of reporting of mineral deposit estimates (Mineral Resources and Mineral Reserves) and of exploration progress.[43]

Kazakhstan reports on the following measures implemented as per CRIRSCO's recommendations:

---

[42] http://goxi.org/profiles/blogs/mongolia-s-model-cda-intent-and-limitations.

[43] http://www.crirsco.com/welcome.asp.

- the approval in June 2016 of the Kazakh Code of Public Reporting of Exploration Results, Mineral Reserves and Reserves of KAZRC (Association of Exploration Results, Mineral Resources and Mineral Reserves). The Code aims to prepare an independent evaluation of mineral assets of companies and investments, in order to finance projects of subsoil use[44];

- publication of a handbook on harmonising Kazakhstan's accountability standards with international standards based on the CRIRSCO system;

- the adoption of a code on "Professional ethics of experts" in geological exploration;

- further elaboration of rules/procedures for involving independent experts and expert groups in conducting independent evaluations of mineral resources, and for remunerating such services;

- the establishment of associations "Kazakhstan's Association of Public Accountability about the Results of Exploration Work, Mineral Resources and Mineral Deposits" and "Professional Association of Independent Experts in Mining".

As a result of its efforts, Kazakhstan was unanimously elected the 10th member of CRIRSCO in June 2016.[45]

Two other ACN countries are CRIRSCO members as well: Mongolia (The Mongolian Professional Institute for Geology and Mining) and Russia (Russia's National Association for Subsoil Examination).[46] The latter has developed a new national code with inputs from CRIRSCO members.[47]

Extractive Industry Transparency Initiative

The Extractive Industry Transparency Initiative (EITI) is one of the best known global initiatives seeking to address the key governance issues of oil, gas and mining sectors and upholding the principles of openness, transparency and accountability of natural resource revenues. The EITI is a standard by which information on the oil, gas and mining industries is to be published. It requires information along the entire extractive industry value chain: from the point of extraction, to how the revenue makes its way through the government, to how it benefits the public. This includes how licenses and contracts are allocated and registered, who are the beneficial owners of those operations, what are the fiscal and legal arrangements, how much is produced, how much is paid, where are those revenues allocated, and what is the contribution to the economy, including employment. The EITI is not a *prescription* for governance of the extractive sector, rather a *tool* that informs the way the sector is to be governed.

Countries that want to improve the way they manage their natural resources can apply for to become an *implementing* country (as of 16 November 2016, Albania, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan and Ukraine). At first, they would be a *candidate*. In order to become compliant with the standard, they need to meet the requirements of transparency and accountability. In each of the implementing countries the EITI is supported by a coalition of government, companies and civil society. In many countries, EITI reports have served as useful diagnostic tools identifying weaknesses in extractive industries' governance systems.

Albania became an EITI member in 2013 and has "compliant" status. Its Mining Code makes EITI disclosure mandatory. To implement recommendations from the 2010 EITI report on the ease of

---

[44] http://www.government.kz/en/novosti/1001926-kazakhstan-code-of-public-reporting-of-mineral-reserves-accepted-to-crirsco.html.

[45] http://www.mining.com/web/kazakhstan-unanimously-elected-tenth-member-crirsco-committee-mineral-reserves-international-reporting-standards/.

[46] http://www.mining.com/web/kazakhstan-unanimously-elected-tenth-member-crirsco-committee-mineral-reserves-international-reporting-standards/.

[47] http://www.icmm.com/en-gb/news/icmm-welcomes-russia-s-decision-to-join-crirsco.

data access, "focal points" were appointed in every relevant government agency and major extractive company in the oil, gas and mining sector (Deloitte, 2015). Albania recently expanded the EITI to cover the hydropower sector and there are plans to implement a pilot commodity trading project. The national EITI secretariat has set up a Club of Journalists interested in issues relevant to extractive industry.[48]

Azerbaijan has been an EITI member since 2005 but was downgraded to "candidate" in 2015 due to concerns about civil society's ability to operate freely.[49] At the time when the country had "compliant" status, its Government Oil Fund was praised for strengthened accountability and transparency, and Azerbaijan received the 2009 EITI award for implementation efforts.[50] Nineteen EITI reports on Azerbaijan were published as of May 2016.

Kazakhstan joined EITI in 2013 and has "compliant" status.[51] The authorities report on the following positive practices:

- the establishment of the single government system of EITI online reporting by mining companies; (http://egsu.mgm.gov.kz/pages/home.jsf);

- the release of nine reports on payments into the state budget;

- the revision of mining legislation;

- the involvement of civil society in the regions in various issues of relevance to the governance of the extractives;

- the implementation of mainstreaming and beneficial ownership projects.

The inclusion of social expenditure information in the reports is also considered an important achievement. Decree No. 71 on "Clarifications on Unified Budget Classification of the Republic of Kazakhstan" was amended in 2014 and now includes a budget classification code and ensures that companies transfer social payments into the budget.[52] The code makes it easier for local and central governments to monitor the payments (EITI, 2016b). Furthermore, for the second year in a row, meetings are being held in all Kazakhstan's regions, at which those regions report on the use of the local budget on social programmes, with the participation of representatives from government agencies, NGOs and mining companies.

Kyrgyzstan has been an EITI member since 2011, and has "compliant" status. It refers to recent amendments to the *Law on Subsoil Use* that requires all new license applicants to submit data on beneficial owners[53]. In 2015, a pilot project on beneficial ownership was implemented.

Mongolia has been an EITI member since 2007, and has "compliant" status. The following good practices are referred to:

- Comprehensive EITI reports, with approximately 1 000 companies reporting;

- Tripartite subnational EITI councils established in 21 provinces and 14 districts by 2016;

---

[48]   https://eiti.org/implementing_country/1#-innovations-and-impact.

[49]   https://eiti.org/countries,

[50]   Azerbaijan received an award for "having come further than any other country and becoming the first EITI Compliant country.---" Presentation by Mr. Farid Farzaliyev, "Влияние ИПДО на антикоррупционную политику" (Impact of EITI on Anti-corruption Policy) at the ACN seminar on corruption prevention, Issyk-kul, Kyrgyzstan, May 2016.

[51]   https://eiti.org/countries.

[52]   https://eiti.org/implementing_country/24.

[53]   https://eiti.org/implementing_country/39.

- Disclosure of EITI information by reporting entities through an online reporting system;

- An online query tool allowing users to visualise legal ownership of some companies;

- Inclusion of information on mining companies' environmental provisions and voluntary social expenditures, as well as on governance of state-owned companies, artisanal and small-scale mining in the 2014 EITI report.[54] Reports by sub-national governments have also been submitted;

- Actions to enhance disclosure of contracts and licenses (EITI, 2016a);

- Participation in a beneficial ownership project.

To acknowledge its achievements in terms of improving and making EITI data available and accessible to broader public, Mongolia was awarded the EITI Chair's award at the 7th EITI Global Conference in Peru in February 2016.

Tajikistan has been EITI member since 2013, and has "candidate" status.[55] It is currently addressing recommendations included in the first EITI report, which are intended to bring about greater transparency in the extractive sector, specifically through amendments to the Law on Subsoil Use.[56]

Tajikistan mentions the following good practices:

- publication of a full list of all active extractive industry licences in 2014;

- implementation of a beneficial ownership pilot and publication in its frame in October 2015 of an evaluation report, which documents the completeness of the disclosed information, data collection method, challenges and recommendations for future work. Out of five companies that were neither publicly listed nor state-owned, four provided full information on legal ownership, and three provided information about beneficial owners;

- the creation of a directory of mining companies.[57]

Ukraine has been EITI member since 2013, and has "candidate" status. It has a license registry which is accessible online. Extractive companies have to apply for a special subsoil use permit that usually is awarded through auction. The State Service for Geology and Mineral Resources is responsible for issuing permits and regulations. All information on bidding is available online. Since October 2014, all companies registered in Ukraine are required by law to disclose their ultimate beneficiaries in a public register also available online. All companies previously registered are required to disclose their ultimate beneficiaries too. Sixty-six out of 120 extractive companies covered by the EITI Report have done so.[58] Although at present, Ukraine does not have an open contract policy, a provision on contract transparency is included in the draft Law on Disclosure of Information in the Extractive Industries (registered for vote in the parliament in June 2016). As per Law No. 521-19 on Amendments to Law Regulating Transparency in Extractive Industries in Ukraine subsoil users and owners of special permits for oil and gas subsoil use are to provide and disclose information about state and local taxes, fees and other payments, as well as on the production (economic) activity. Government entities administering taxes, fees and other sectorial payments are also obliged to disclose those figures, in addition to contextual information. Furthermore, government authorities charged with conducting geological surveys, use and protection of mineral resources must provide and publish information on the status of these activities.

---

[54]   https://eiti.org/implementing_country/7.

[55]   https://eiti.org/implementing_country/56.

[56]   https://eiti.org/implementing_country/56.

[57]   https://eiti.org/implementing_country/56.

[58]   https://eiti.org/implementing_country/26#implementation-.

Global Witness

Global Witness is an independent non-for-profit organisation that aims to reduce abuse of the environment and human rights that result from the exploitation of natural resources (mining, logging, oil and gas sectors) and corruption.[59] It carries out investigations to identify abuse and campaigns for change. Among ACN countries, Global Witness is active in Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Ukraine and has produced several publications exposing corruption.

A report *Azerbaijan Anonymous* helped bring to light information about the deal-making process in the country's oil industry. Since the report's publication, the state oil company SOCAR has revealed more information about previously non transparent deals.[60]

In respect of Kazakhstan, in 2010 a report *Risky Business* on the copper company Kazakhmys was released and Global Witness is currently investigating the role of the Kazakh-based Eurasian Natural Resources Corporation (ENRC) in the secret sales of prize mining assets in the Democratic Republic of Congo.[61]

In 2012, *Grave Secrecy* report exposed an alleged money laundering scheme of up to USD 64 mln through Kyrgyzstan's largest bank, AsiaUniversalBank (AUB).[62]

In regard to Turkmenistan, a report *It's A Gas* was published in 2006, focusing on off-budget funds in the gas sector.[63]

A report with a similar name was produced uncovering a network of "middleman" companies controlling gas supply in Ukraine.[64]

Kimberley Process Certification Scheme

Established in 2003, the Kimberley Process Certification Scheme is a joint governments, industry and civil society initiative, which establishes strict requirements for members to certify shipments of rough diamonds as "conflict free", i.e. not used by rebel movements to finance wars against legitimate governments. Participating states must meet minimum requirements, put in place appropriate legislation and institutions, as well as export, import and internal controls, and commit to transparency and exchange of statistical data. Participants are only allowed to trade with each other. Implementation is monitored via review visits and annual reports.[65] **Armenia, Belarus, Russia and Ukraine** entered the Process in 2003, and **Kazakhstan** became a participant in 2012.

The Natural Resource Governance Institute

The Natural Resource Governance Institute (NRGI) was established in 2013 through a merger of the Revenue Watch Institute and the Natural Resource Charter. It aims to improve the governance of natural resources (oil, gas, mining) in order to promote sustainable and inclusive development.[66] The NRGI's 2015-2019 strategy limited the institute's focus to few "priority" countries for maximum

---

59   https://www.globalwitness.org/en/about-us/.

60   https://www.globalwitness.org/en/countries/azerbaijan/#more.

61   https://www.globalwitness.org/en/countries/kazakhstan/#more.

62   https://www.globalwitness.org/en/countries/kyrgyzstan/#more.

63   https://www.globalwitness.org/en/countries/turkmenistan/#more.

64   https://www.globalwitness.org/en/countries/ukraine/#more.

65   https://www.kimberleyprocess.com/en/about.

66   http://www.resourcegovernance.org/.

impact.[67] These countries were selected based on specific indicators and criteria. In the other economies, the institute enjoys "limited engagement" or has altogether halted its activities. The lists of countries are reviewed periodically. Out of ACN countries, only Mongolia is a "priority" country. This means that the NRGI works with various stakeholders and on different aspects of the extractive sector decision chain, guided by a medium-term country strategy. The main goal of the NRGI's strategy on Mongolia is that citizens benefit from extractive resource wealth via: i) the establishment of an accountability mechanism; ii) the implementation of effective extractives revenue management; iii) the promotion of best governance practices by state-owned companies; iv) more stringent oversight and more targeted capacity building policy. Azerbaijan, Kyrgyzstan and Ukraine are limited engagement countries, for which the NRGI assesses its involvement on a case-by-case basis (NRI, 2016). Kazakhstan, Uzbekistan, Russia and Turkmenistan are the countries in which activities are currently scaling down.

Publish What You Pay Coalition

The "Publish What You Pay" (PWYP) is a global membership-based coalition of civil society organisations in over forty countries which promotes transparency and accountability in the extractive sector though publication of contracts, revenue payments and receipts. It also encourages consideration of citizens' voices about the use of extractive resources and the use of generated revenues.[68] PWYP members monitor the legal environment in the extractive sector and seek to improve existing rules where extractive companies are listed or registered.[69] The coalition has contributed to regulations in several countries obliging listed or registered companies to publish payments to governments for every country and project.[70]

In Azerbaijan, a PWYP-affiliated "NGOs for Improving Transparency in Extractive Industries" was launched in 2004. It has more than 80 members from the capital and the regions. It supports the implementation of EITI by the country and the participation of civil society in policymaking. It promotes the disclosure of beneficial ownership and transparency in state owned companies.[71]

An EITI NGO Consortium in Kyrgyzstan was founded in 2004 and joined PWYP in 2013. It currently has 22 member NGOs and is co-ordinated by the "Tree of Life" Human Development Centre. The Consortium supports the implementation of EITI and facilitates dialogue amongst local communities, mining companies and local authorities at subnational level. It plans to further expand its subnational network to remote regions and to engage specifically with the youth.[72] "Tree of Life" reports on the following initiatives of the Consortium:

- the promotion between 2008-2011 of separate company, rather than industry, EITI reports, including by addressing letters to the Government and the Presidential Administration. As a result of this, individual company reporting commenced in 2012;

- the appointment of community liaison offices for the Consortium in six regions in 2006, with the support of Soros Kyrgyzstan, the Eurasia Foundation of Central Asia and USAID. These have improved transparency of mining companies and the resolution of conflicts between companies and local communities. This action was recognised by the EITI Secretariat as an innovative approach;

- the inclusion of a social package concept into the Mining Code;

---

[67]   http://www.resourcegovernance.org/about-us/what-we-do/country-prioritization.

[68]   http://www.publishwhatyoupay.org/about/objectives/.

[69]   http://www.publishwhatyoupay.org/our-work/.

[70]   http://www.publishwhatyoupay.org/our-work/using-the-data/.

[71]   http://www.publishwhatyoupay.org/members/azerbaijan/.

[72]   http://www.publishwhatyoupay.org/members/kyrgyzstan/.

- the organisation of national forum for stakeholders in mining in 2013, with the support of Soros Kyrgyzstan, formulation of recommendations to government, including on the definition of a social package, obligatory EITI reporting for companies and mandatory evaluation by companies of social, not only environmental, impact;

- launching of an online EITI forum (http://forum.eiti.org.kg) which publishes news on the mining sector, EITI and relevant laws. It has had quarterly visits by some 3 000 persons.

- the promotion of electronic EITI reporting;

- the promotion of disclosure of beneficial owners.

The "Tree of Life" moreover plans to expand the network of regional EITI liaison offices, enhance the capacity of local multi-stakeholder groups and conduct annual meetings on structural reforms and to further broaden the NGO Consortium.

The PWYP Coalition in Mongolia was launched in 2006. It supports the effective implementation of EITI as well as transparency in mining production and public engagement in natural resource issues. It has accompanied legislative processes pertaining to natural resources with the involvement of local communities. It is currently campaigning for the adoption of a new Mineral Law[73] and participates in the Data Extractors programme, which engages France, Indonesia, Mongolia, Mozambique, Niger, The Philippines, UK, USA, Zambia and Zimbabwe in peer learning, twinning, mentoring, workshops and case studies on data for the benefit of PWYP coalitions.[74]

In 2011, 21 Tajikistan's NGOs founded the Transparency for Development Coalition. It has been working on an information campaign to promote EITI and on a pilot beneficial ownership project.[75] The coalition aims to fight corruption and poverty, especially at sub-regional level and collaborates with the government on effective revenue management.[76]

In 2009, the "EnergyTransparency" Association was launched in Ukraine to promote transparency and accountability in the extractive industries. It became a PWYP affiliated coalition in 2014. The coalition has been working on addressing legal obstacles that prevent EITI implementation.[77]

Action by National NGOs

Armenia, EcoLur Information Campaign

Armenia's EcoLur is a voluntary union of journalists established in 2004 with an aim to "promote the fight against corruption and clan systems in the field of environment".[78] It seeks to support the identification and solution of environmental problems, raise public awareness and introduce sustainable country development strategy.[79] To that end, it evaluates incomes and hidden expenses, examines lobbied decisions and privileges, publishes information, and holds civil servants accountable for corruption. In the process of gathering information, EcoLur analyses official documents, makes inquiries to government agencies, conducts interviews with local residents and

---

73   http://www.publishwhatyoupay.org/members/mongolia/.

74   http://www.publishwhatyoupay.org/our-work/using-the-data/.

75   http://www.publishwhatyoupay.org/members/tajikistan/.

76   http://www.publishwhatyoupay.org/members/tajikistan/.

77   http://www.publishwhatyoupay.org/members/ukraine/.

78   https://ecolur.org/en/Charter/.

79   https://ecolur.org/en/Charter/.

company workers, and uses expert evaluation. It has been carrying out information campaigns since 2006 and engaged with the media and various social groups.

The "Mining" section of EcoLur's website amasses over 1 200 materials and videos. In terms of donor support, its investigations have been co-financed by the Central and Eastern Europe (CEE) Bankwatch Network, Open Society Foundations (OSF) - Armenia, Global Greengrant Fund and the Royal Norwegian Embassy.

Kazakhstan Network of Expert Councils on Transparency and Sustainable Development

Kazakhstan's Public Association "Blago" is a network bringing together citizens, central and local government agencies and companies. It undertakes research, informational and educational programmes in the extractive and construction industry. It aims to provide a holistic approach to determining a problem and seeking a solution which takes into account impact on citizens, society and nature. It seeks to provide public with timely, relevant, complete, accurate and clear information on these aspects, and to ensure that all stakeholders are involved in decision-making on an equal footing.

Thanks to "Blago", a platform has been established that helps influence government decisions, whereas the government and companies gained an understanding of the benefits of activity based on transparency and accountability. "Blago" has furthermore developed and tested a methodology for implementing large-scale projects aimed at a systemic change in social relations in post-Soviet countries. In the past, the network received funding from the International Bank for Reconstruction and Development, the OSCE centre in Astana and Soros Fund Kazakhstan.

Action by Private Companies

Kazakhstan, Hambledon Mining Plc.

Hambledon Mining plc, now known as Goldbridges Global Resources plc., is a company mining gold bearings rocks in Sekisovskoye, near Ust Kamenogorsk, Kazakhstan, since 2008. It began underground mining in late 2011[80] and reports on the two successful corruption prevention initiatives. One was a year-long education campaign on effects of corruption conducted for the company's staff and vendors. The training focused on the *2010 UK Anti-Bribery Act* as one of the most comprehensive statutes in regards to the types of offenses it outlaws, in particular, "facilitating" or "grease" payments to government officials. In addition to bribery of government officials, it also outlaws commercial bribery, i.e. business-to-business bribery transactions, and introduces a new offence for a company's failure to prevent bribery.[81] The second initiative concerned the increase in staff remuneration. The company advocated that local mayors and regional municipal officials be better remunerated, which has led to the establishment of a community fund operated in a transparent manner.

Conclusion

The extractive sector (oil, gas and mining) is widely regarded as suffering from severe governance deficits and corruption, with high prevalence of transnational monetary bribes of a large value. Corruption in the industry stymies economic and social development and prevents the equitable sharing of benefits from the exploitation of natural resources.

Seven ACN members, including four from Central Asia, report that their anti-corruption strategies and action plans and related policies focus *specifically* on the extractive sector. In many of those countries, the initial steps in the prevention and fight against corruption have been directed towards attaining heightened transparency through measures such as digitalisation of data on mineral

---

[80] http://kazworld.info/?p=22038.

[81] http://www.hfw.com/Mining-Journal-Risk-Anti-corruption-and-Compliance-Guide-November-2014#

deposits, creation of interactive electronic maps (for example, a map of minerals and of licensed areas in Kyrgyzstan), creation of web portals providing comprehensive information on the volumes of extraction, processing, sale, bidding procedure, etc. (Kazakhstan) and on procedures for applying for contracts and licenses as well as revenue collection (Kyrgyzstan). Certain ACN countries have also introduced "one window" services for subsoil users (Armenia) and made the awarding of contracts and licenses competitive (Kyrgyzstan). Exploration, exploitation and production of natural resources have become subject to more stringent supervision and monitoring and in certain instances a requirement for the accounts of extractive companies' to undergo compulsory audit has been introduced (in Kyrgyzstan). In certain other countries, companies have become more accountable to local communities (Mongolia) and their media have become more aware and active in covering contentious points relating to the management of natural resources and overall governance of the extractive industry.

Numerous multi-stakeholder initiatives have spawned across the ACN region, triggering important reforms and fostering wider civil society engagement in policy making. EITI is one of the best known global initiatives whose standards are implemented in seven ACN countries. It promotes publication of company payments and government receipts from extraction and exporting of natural resources. It has influenced legislative frameworks on mineral resources in Albania, Kazakhstan, Kyrgyzstan, Tajikistan and Ukraine and helped build mechanisms for improved transparency and accountability *inter alia* via designated "focal points" in governments and companies and community liaison offices in provinces as well as the establishment of tripartite councils. EITI has also promoted disclosure of companies' beneficial owners through pilot country projects (in Kyrgyzstan and Tajikistan).

CRIRSCO, which upholds high standards of reporting on mineral deposits and exploration, has been active in three ACN members: Kazakhstan, Mongolia and Russia. The non-for-profit Global Witness organisation, which carries out investigations of allegations of corruption in the extractives, has exposed malpractices and dubious schemes in Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Ukraine. The Kimberley Process Certification Scheme on "conflict free" trade in diamonds operates in five ACN countries. The Natural Resource Governance Institute (NRGI) prioritises work with Mongolia aiming to spread the benefits of extractive resource wealth to wider citizenry. The Pay What You Pay coalitio has worked in five ACN countries and contributed to a revision of regulations to the effect that, in some of these countries, extractive companies are now obliged to publish payments they make to the governments.

Various anti-corruption initiatives have been also pursued by national NGOs. Armenia's EcoLur has promoted transparency in the mining industry and Kazakhstan's Network of Expert Councils on Transparency and Sustainable Development has undertaken research and carried out information and education programmes.

Only one sole private company (Hambledon Mining Plc. operating in Kazakhstan) has reported any corruption prevention initiatives. This company has made steps to improve the financial well-being of local communities and carried out training of staff on the 2010 UK Anti-Bribery Act.

To conclude, corruption prevention in the extractives is prioritised in many of ACN countries and a broad range of measures have been and are being implemented to enhance transparency, provide greater access to a more complete information on natural resources, reinforce accountability of companies and responsible government agencies, as well as raise awareness of corruption risks and harmful consequences of corruption and related violations among public official, local communities, individual citizens and staff of extractive companies.

References

ADB (2010), *Central Asia Atlas of Natural Resources*, ADB, Manila, https://www.adb.org/sites/default/files/publication/27508/central-asia-atlas.pdf.

American University of Armenia Centre for Responsible Mining (AUA CRM), Caucasus Environmental NGO Network (CENN) (2015), *Mining in Armenia, A Comprehensive Overview*, http://w3.cenn.org/wssl/uploads/documents/Mining_in_Armenia_A_Comprehensive_Overview_Eng.pdf.

Central Intelligence Agency (n.d.), *The World Factbook*, Field Listings: Natural Resources, accessed 4 October 2016, https://www.cia.gov/library/publications/the-world-factbook/fields/2111.html/.

Deloitte (2015), *Extractive Industries Transparency Initiative in Albania, Report for the Year 2013 and 2014*.

EITI (2016a), *From Reports to Reform*, EITI International Secretariat, https://eiti.org/sites/default/files/documents/from_reports_to_reforms.pdf.

EITI (2016b), *Progress Report, from Reports to Results*, EITI, Oslo, https://eiti.org/sites/default/files/migrated_files/progressreport.pdf.

Ernst & Young Global Limited (2014), *Managing Bribery and Corruption Risk in the Oil and Gas Industry*.

Ernst & Young Global Limited (2015), *Managing Fraud, Bribery and Corruption Risks in the Mining and Metals Industry*.

Government of Estonia, *Anti-corruption Strategy 2013-2020*, http://www.korruptsioon.ee/sites/www.korruptsioon.ee/files/elfinder/dokumendid/estonian_anti-corruption_strategy_2013-2020.pdf.

Government of Kazakhstan (2013), *О Стратегическом плане Министерства нефти и газа Республики Казахстан на 2014 - 2018 годы* (About a Strategic Plan of the Ministry of Oil and Gas of Kazakhstan for 2014-2018), https://tengrinews.kz/zakon/pravitelstvo_respubliki_kazakhstan_premer_ministr_rk/ohrana_i_ispolzovanie_nedr/id-P1300001576/.

Impact, Effectiveness, and Where Next for Expanding Natural Resource Governance? , U4 Brief. Index Mundi (n.d.), *Oil Rents (% of GDP)* (database), http://www.indexmundi.com/facts/indicators/NY.GDP.PETR.RT.ZS.

NRI (2015), Country Strategy Note, http://www.resourcegovernance.org/sites/default/files/nrgi_Mongolia-Strategy_20151207.pdf, accessed 11 October 2016.

NRI (2016), *Organisational Strategy Note*, http://resourcegovernance.org/sites/default/files/documents/country-prioritization.pdf, accessed 11 October 2016.

OECD (2014), *OECD Foreign Bribery Report*, OECD Publishing, Paris.

OECD (2016), *Corruption in the Extractive Value Chain, Typology of risks, Mitigation Measures and Incentives*, OECD Publishing, Paris.

Pešut, D. (n.d.), *Overview of Energy Sector in Balkan Region*, Energy Institute Hrvoje Pozar, Croatia, http://siteresources.worldbank.org/EXTENERGY2/Resources/4114199-1306178323340/S1_Pesut.pdf.

Revenue Watch Institute (2013), *The 2013 Resource Revenue Index*, New York, http://www.resourcegovernance.org/sites/default/files/rgi_2013_Eng.pdf.

The World Bank, *Data*, http://data.worldbank.org/.

Transparency International (2011), *Bribe Payers Index Report 2011*, Transparency International, Berlin, http://www.transparency.org/bpi2011/results.

U4 Anti-Corruption Resource Centre (2014), *The Extractive Industries Transparency Initiative:*

For further reference:

GazProm International (2014), General News, "Reforming Kyrgyzstan's Mining Sector", http://www.gazprom-international.com/en/news-media/articles/reforming-kyrgyzstans-mining-sector, accessed on 11 October 2016.

POLICE

Sector Definition and Description

The police sector, for the purpose of this study, refers to the administration and operation of regular and auxiliary police forces as well as port police, border police, coastguards and other special forces, such as traffic regulators.

Across ACN membership, the number and proportion of police personnel differs significantly country by country. The economy with the largest proportion of police personnel is Montenegro at 680.5 per 100 000 persons, while the lowest proportion is in Azerbaijan at 135 (although the latest publicly available data for the latter country is from 2006, so the number could be different now).

Table 3: Police personnel by country[82]

ACN country	Count (2014)[83]	Rate per 100 000 population (2014)[84]
Albania	9 625.0	333.1
Armenia	N/A	N/A
Azerbaijan	11 696.0	135.0
Belarus	32 100.0	331.1
Bosnia and Herzegovina	15 859.0	415.4
Bulgaria	28 171.0	391.2
Croatia	20 562.0	483.1
Estonia	4 089.0	310.7
Georgia	9 623.0	238.5
Kazakhstan	40 237.0	235.3
Kyrgyzstan	N/A	N/A
Latvia	8 813.0	443.0
Lithuania	9 484.0	325.2
FYR of Macedonia	10 792.0	519.9
Moldova	11 071.0	271.9
Mongolia	6 980.0	279.6
Montenegro	4 255.0	680.5
Romania	52 907.0	269.2
Russia	749 173.0	522.3
Serbia	44 632.0	501.9

---

[82] "Police Personnel" means personnel in public agencies as of 31 December whose principal functions are the prevention, detection and investigation of crime and the apprehension of alleged offenders. Data concerning support staff (secretaries, clerks, etc.) should be excluded. Data supplied by countries may not exactly reflect the definition provided.

[83] Data for Azerbaijan is from 2006; for Belarus from 2004; for Kazakhstan from 2013.

[84] Data for Azerbaijan is from 2006; for Belarus from 2004.

Slovenia	7 014.0	339.5
Tajikistan	N/A	N/A
Turkmenistan	N/A	N/A
Ukraine	176 705.0	387.1
Uzbekistan	N/A	N/A

Source: UNODC Statistics, accessed 20 October 2016.

The state of police in ACN members is subject to the countries' history and the current political environment. Some ACN EU member states undertook police reforms to meet the conditions of entry, while many post-Soviet countries also attempted to improve their police forces after independence, as they were plagued by corruption, low qualifications and a poor image (Norwegian Institute of International Affairs (NUPI), OSCE Academy, 2015).

Nature, Risks and Consequences of Corruption in the Police

Police is regarded as one of the most corrupt sectors worldwide. In the 2013 *Global Corruption Perception Barometer*, police was viewed as the most highly corrupt among eight evaluated services[85] (this was also the case in the 2010/2011 report) and ranked as the second most corrupt institution out of twelve.[86] The average grade of police corruption perception in the ACN area is approximately the same as the global average at 3.7 out of 5, but is worse in Central Asia at 4.1 (Transparency International, 2013). Police is moreover seen as the most corrupt institution in 36 countries, including in Kazakhstan and Kyrgyzstan in the ACN region (Transparency International, 2013). In these countries, more than half of the respondents reported having paid a bribe to police officers.

Several features of policing create corruption risks. Some factors are intrinsic to the nature of the job. Many police activities take place in private and remote spaces with little or no supervision. The culture of secrecy and loyalty would make the chance of reporting by co-workers less likely (Newburn, 1999). Police officers oftentimes have high discretion over their decisions (Newburn, 1999). Generic factors of low salary, as well as the lack of morale and professional standards increase the risk. Culture plays a role, too, as actions that are considered corrupt in one country might not be considered as such in another (Bayley and Perito, n.d.). Corruption also depends on the institutional set-up, such as the level of democracy, government capacity, oversight, the strength of civil society, the independence of media and the stability of elites, as well as economic conditions, such as the level of poverty and life expectancy (Bayley and Perito, n.d.).

Police corruption comprises behaviour such as bribery, interference with evidence, favouritism and nepotism (Newburn, 1999). A non-exhaustive list of corrupt behaviour in police includes:

- Receipt of material gain, such as free meals and services;

- Receipt of goods, services or money for referring a business;

- Stealing from arrestees, victims, or from the crime scene;

- Interference with the investigation or prosecution, such as:

---

[85]   Respondents from 95 countries were asked "In the past 12 months, when you or anyone living in your household had a contact or contacts with one of eight services, have you paid a bribe in any form?".

[86]   Out of 107 countries.

- Dropping an investigation or prosecution, non-enforcement of a violation in return for a bribe;

- Covering up of evidence;

- Planting or adding of evidence;

- Not reporting a misdemeanour;

- Protection of those involved in illegal activities, such as prostitution, pornography or the drug trade (Institute for Democracy and Mediation, 2014).

- Interference in applications for permissions and licenses (Council of Europe, 2015);

- Politicisation, including political interference in investigations, "framing" of political opponents, the leaking of confidential information, the covering up of political killings, false investigations, etc. (Council of Europe, 2015);

- Selling of information about police operations (Bayley and Perito, n.d.);

- Awarding of procurement contracts to specific companies (Council of Europe, 2015);

- Corruption related to recruitment, delegation of tasks, promotion, shift allocation, holidays etc., including nepotism and cronyism in the police force;

- Sale of police services during or after working hours (Council of Europe, 2015);

- Use of police status to pursue private disputes or deal with personal matters (IDM, 2014).

Police corruption is much harder to eliminate in autocratic environments, where the government uses police for its own purposes or in situations where criminal groups have infiltrated the police.

Corruption in police undermines the rule of law and the security of the population, making it imperative to eliminate it (Bayley and Perito, n.d.). Police corruption spreads corruption in other sectors as well (IDM, 2014). Just like corruption in other sectors, it leads to the waste of resources and can impede economic development.

Policies, Practices and Case Studies from ACN countries

National Policies and Practices

Armenia reports that its *Anti-corruption Strategy* and the *2015-2018 Action Plan for Implementation of Anti-corruption Strategy* adopted by Government Decree no. 1141-N in September 2015 targets police amongst other sectors. The Action Plan envisages *inter alia* the elaboration of a sectorial anti-corruption programme for police.

The following practices carried out so far are estimated as promising or successful by the authorities:

- the creation of a computer-based programme for registering and keeping statistics on road accidents, implemented by traffic police;

- simplification of procedures for driving license examinations, state registration of vehicle ownership, vehicle records, provision of license plates and certifications, issuance and replacement of driving licenses;

- provision of traffic police services based on a "one window" principle;

- online monitoring of driving license examination results by citizens;

- use of cameras in traffic police patrolling cars;

- improvement of the appeal procedure against police officers and the establishment of a Standing Committee for examining such appeals;

- allowing for contact with police through "Help the citizens" webpage of the police website (www.police.am), and the establishment of a "Hotline" service for rapid response.

Bulgaria informs of the reforms initiated in September 2015 by the National Council on Anti-Corruption Policies and National Strategy for Combating Corruption. A wide-ranging set of measures have been and are being implemented within the police and traffic police, in particular, encompassing e.g. property declarations, lie detector tests and integrity testing. [87] An on-line system to analyse and verify the property of all 47,000 employees of the Ministry of the Interior is to be up and running by end of 2016. This system is to be complemented by a mechanism for identifying conflicts of interest. Planned amendments to the Road Traffic Act will include moving the entire traffic sanctions process online – from the imposition of fines to their payment, while all traffic police patrols will have to work with tablets and all police cruisers will be equipped with cameras. The initial registration of vehicles and the issuing of special license plates and gun permits will also be done online. As for integrity testing, it is aimed at identifying those police employees who might be prone to corruption. Initially, it would be applied to traffic and patrol officers. Since the reform was expected to be met with strong resistance from inside, it had been prepared almost in secret, independently from the police sectors it was intended to affect.[88] The authorities additionally report that they provide anti-corruption training and organise awareness-raising campaigns e.g. on the Code of Ethics and on legal changes, to employees of the Ministry of Interior.

In Kazakhstan, the *2015-2025 Anti-corruption strategy* implemented by the Ministry of Internal Affairs focuses too on corruption prevention in police. Positive dynamic has already been generated by the following measures:

- the adoption in February 2016 of Rules for internal corruption risk analysis. The most corruption-prone services were identified and a Plan for an internal analysis of corruption risks was adopted for 2016;

- internal affairs agencies are currently developing anti-corruption standards for corruption prevention;

- a competitive selection of staff within the system of internal affairs was introduced in December 2015;

- a "staff policy" web page was created on the website of the Ministry of Internal Affairs;

- 11 functional "One Window" service centres were set up for registration of vehicles and issuing driving licenses. Standards and regulations were adopted to reduce the service time in such centres (Ministry of Interior Affairs decrees no. 341-2015 and 473-2015);

- better traceability of violations was made possible thanks to the introduction of regulations for using technology - audio and visual - to record criminal and administrative offences, including by the Ministry of Interior' staff;

- "smart systems" to record traffic violations and identify vehicles with a criminal record were installed in some intersection and this has led to the reduction of interface between citizens and traffic police officers.

---

[87]   https://www.occrp.org/en/daily/4446-bulgaria-launches-ambitious-plan-to-curb-police-corruption.

[88]   https://www.occrp.org/en/daily/4446-bulgaria-launches-ambitious-plan-to-curb-police-corruption.

Kyrgyzstan reports that its Ministry of Interior has adopted an internal plan for implementing the 2015-2017 Government Anti-Corruption Action Plan. The plan consists of several parts, including a list of main activities for 2016-2017, a plan for institutional arrangements for 2016 and a 100-day plan developed specifically for the Minister of Interior.

A step-by-step plan for tackling systemic corruption in the road patrol service has also been prepared. In November-December 2013, a corruption risk assessment was conducted by the Working Group under the Defence Council with a view to identifying the main reasons motivating the extortion of bribes by traffic police. The assessment showed that the system of fine payment for traffic violations was deficient and compelled citizens to pay a bribe to avoid the lengthy payment procedure. Other contributing factors included low salaries of patrol police unit, insufficient logistics at its disposal and low motivation. As a result of these findings, the Ministry of Internal Affairs has decided to minimise direct contact of traffic police officers with potential offenders. It has also resolved to introduce payment terminals directly in the patrolling vehicles, as well as to increase the network of banks allowing for the operation of payment terminals. It is also planned to increase the salary of the Ministry's staff by transferring for this purpose 25% of all paid fines. This would likely strengthen the material and technical resources base and provide financial incentives for relevant services and staff, as evidenced by the experience of Armenia and Ukraine. The Code on Administrative Accountability and traffic regulations are to be amended as well so as to limit the grounds for checks of vehicles by the road patrol service.

Other reported measures implemented specifically for and within the road patrol service have been as follows:

- the adoption of an inter-agency plan by the Ministry for Internal Affairs for implementing automated recordings of traffic violations without the need to present drivers' identification cards;

- competitive recruitment for patrol police unit;

- the use of portable dashboard cameras by officers. In 2014, the government received approximately 5 775 thousand som through all payment kiosks, 712 000 of those through payment terminals. By the end of August 2016, the government collected approximately 17 746 thousand som, among these about 4 284.6 thousand som through payment terminals;

- external monitoring of tests and exams conducted as part of the recruitment procedure within the Ministry, introduction of computer testing for certain subjects, video surveillance of final state exams, anonymous surveys;

- As of January 2015, 25% of all fine payments are allocated to the Ministry of Internal Affairs and used to pay salaries and improve material and technical equipment (based on the 2014 decree).

Latvia, firstly, refers to an auspicious trend regarding bribery of public officials, including police officers. As evidenced by the 2014 survey on corruption prevalence, the number of citizens willing to bribe public officials declined dramatically: if in 2007 some 24.9% of the respondents rejected the idea of bribing an official for any purpose, this figure had risen to 40,2% in 2014. In a similar vein, another survey showed that, while in 2012, 6% of the respondents were willing to bribe traffic police officers, in 2014 this number dropped to 4.4%.

Latvia's Corruption Prevention and Combating Bureau (KNAB) elaborated a detailed policy paper, which identified 18 corruption risks for state police, state border guard, customs department police and the KNAB itself. These cover personnel management, financial resources, internal control, external communication and the use of innovative working methods. All recommended actions for rooting out corruption risks are being implemented in practice.

One action considered to be particularly propitious is a system whereby traffic police officers have received financial bonuses for detaining bribe givers. The remuneration scheme is based on an act passed by the Cabinet of Ministers, "The Regulations of the monthly salary and special allowances of the officials with special service ranks of the Ministry of the Interior system institutions and the Prisons Administration". Thus officials receive a salary and are entitled to a maximum of two supplements. The supplement for the "direct combating of serious crimes" can attain EUR 285 and is applicable, amongst others, to bribery of public officials according to Latvia's criminal law. The average supplement ranges between EUR 50 and 70. An internal regulation sets out eligibility criteria, and if they are met, direct superiors of the officers concerned are to make a proposal on the release of the supplement to a commission on supplements which has been established in every regional police administration and consists of heads of regional police agencies. The commission is to decide on granting the supplement and the amount to be allocated. This measure is said to have led to a noticeable increase in statistics on prosecuted/adjudicated bribery cases committed by drivers. Also, saliently, police officers have become more reluctant to ask for a bribe, whereas the public has become more hesitant to offer bribes for fear of criminal liability and bad publicity, as bribery cases are oftentimes covered by the media.

Macedonia refers to several policy documents: the Anti-Corruption Programme for the Ministry of Interior and Police, The Police Development Strategy 2016-2020 and The Anti-Corruption Programme: Anti-corruption Goal Hierarchy and a Police Development Strategy 2016-2020. Their overarching objective is to strengthen police capacities for fighting corruption pursuant to EU requirements.[89] To achieve this, it is proposed to revise the structure of the Ministry of Interior and to establish strategic planning, monitoring, and entry and quality criteria and standards at the Ministry's central level. Another goal is to improve quality and ensure a greater uniformity of investigations of corruption within the police and to develop effective and appropriate methods of filtering out false reports.[90] To this end, it is planned to establish a unit in charge of internal investigations and handling of unethical police conduct. The Internal Control Department is to play a proactive role: it should be immediately informed of any violations and participate in an investigation as from the moment of notification. The strategy also sets out to develop the process of professional and continuous education for fighting corruption according to best EU practices: regular training for police officers on police ethics, policing risks, use of force, professional attitude etc. Such workshops and training should be aimed at specific groups of police officers who would benefit from tailor-made programmes and interactive ways of learning.[91] Specific methods and tools are to be developed to better inform citizens of the status of their reports.

Macedonia also refers to anti-corruption programmes developed specifically for border police and for the Department for Suppression of Organised and Serious Crime following the completion of in-depth assessment of corruption risks within both structures.

In Moldova, the *2016-2020 Police Reform Strategy* intends to achieve a zero tolerance to corruption, discrimination and misbehaviour in police activity (Support to the DCFTA Process in the Republic of Moldova (n.d.). Besides, the *National Integrated State Border Management Strategy for 2015-2017* targets corruption in border police and customs service. The strategy notes that the increase in and magnitude of acts of corruption in the integrated state border management system represents a considerable risk to border safety. The Strategy aims to introduce best European practices of integrated border management with the overall goal *inter alia* of reducing corruption and improving professional integrity levels (Government of Moldova, 2014). Professional integrity testing of personnel of the state border service is one of the suggested methods of corruption prevention (Government of Moldova, 2014). Other foreseen

[89]   http://ficb-police-service.mk/.

[90]   http://ficb-police-service.mk/.

[91]   http://ficb-police-service.mk/.

actions include the evaluation of institutional corruption risks, implementation of integrity plans, the installation of video surveillance systems in buildings of state police, bureaus for migration and asylum and the customs service, the development of IT systems for keeping track of reports of facts of corruption involving border police, installation of audio-visual equipment at border checkpoints. In-house, inter-agency and international co-operation in the fight against corruption are to be strengthened (Government of Moldova, 2014).

In terms of training, in 2013, 1 229 staff of the Ministry of Internal Affairs took part in 23 specialised anti-corruption trainings (Support to the DCFTA Process in the Republic of Moldova (n.d.). In 2015, 340 border police officers took part in six specialised anticorruption training course and 30 more border police officers were trained on a professional deontology code (Support to the DCFTA Process in the Republic of Moldova (n.d.).

Mongolia mentions as examples of good practice the designation of police instructors to deal with reports of crime, including corruption, and the creation of websites and hotlines. One of those websites (http://service.police.gov.mn) displays generic information on the police agency and its staff, as well as on police services such as driver's licenses, certificates for a clean criminal record, statistics on offences. An electronic map of Ulaanbaatar city now shows location of committed crimes, and contains a complete list of missing and wanted individuals. Citizens can report violations and offences through this site, as well as track updates via personal accounts. Another, "smart police" website (http://www.smartpolice.mn/) is meant to be used for filing complaints on misconduct on the part of police officers. Citizens can also track the status and decisions taken in regards to their reports.[92] Complaints can be filed via hotlines "126" and "70121515".

Montenegro's *Action Plan for Chapter 23 – Judiciary and Fundamental Rights* of 19 February 2015 sets out to adopt an integrity plan for four pilot institutions, among them the police administration (Government of Montenegro, n.d.). Within its frame, it is planned to conduct a functional analysis on the implementation of existing internal control mechanisms in the police administration, with special emphasis on the preventive and repressive measures. The plan comprises the following actions:

- Annual internal control of the work of the police administration;

- Better detection and combating of corruption amongst officers of the Ministry of Interior;

- Better detection and combating of corruption at the high level in the Ministry of Interior;

- The carrying out of campaigns on corruption reporting and protection of whistle-blowers.

The Annex to the *Action Plan for Chapter 23 – Judiciary and Fundamental Rights,* "Operational Document for the Prevention of Corruption in the Areas Exposed to Special Risk" from July 2016 prioritises monitoring of the implementation of the Integrity Plan, and the strengthening of the administrative and technical capacities of the Division for Internal Control of Police Work (Government of Montenegro, n.d.), notably through:

- regular monitoring of implementation of the Integrity Plan of the Ministry of Interior/Police Directorate;

- monitoring of implementation of the conclusions and recommendations given by the Council for Civilian Control of the Police Work;

- filling vacancies at the Division for Internal Control of the Police Work pursuant to the Rulebook on internal organisation and job descriptions of the Ministry of the Interior;

---

[92]   http://ubpost.mongolnews.mn/?p=10714.

- provision of adequate technical and material support to the Division for Internal Control of the Police Work, necessary for internal investigations and counterintelligence protection (notably, GPS and audio surveillance);

- holding training courses on integrity and compliance with the professional Code of Ethics for police officers (Government of Montenegro, n.d.).

The next report on the implementation of the Action Plan for Chapter 23 will be published in January 2017 and include for the first time an update on the implementation of the aforementioned Operational Document.

Serbia states that its *National Anti-Corruption Strategy for 2013-2018* has a chapter on police. It is implemented by the government, the National Assembly and the Ministry of Interior. The stipulated objectives in this area are as follows: 1) build police capacities required for the investigation of criminal offenses related to corruption; 2) strengthen integrity and internal control mechanisms for the purposes of combating corruption in the police (Government of Serbia, 2013). The Strategy notes that the Code of Police Ethics was adopted on the basis of the Law on Police from 2006 and is to be reviewed. It also suggests that the Law on Police be amended so as to strengthen organisational units that pursue anti-corruption activities (Government of Serbia, 2013).

In 2014, the Government of Tajikistan adopted a *Programme for Developing Police in 2014-2020.* [93] One of its goals is to lower corruption via measures such as competitive recruitment of staff and development of information systems reducing personal contact between citizens and officials. An overarching *Anti-corruption Strategy for 2013-2020* suggests that the structure of internal affairs agencies be optimised, their efficiency and management improved, higher integrity of employees promoted and a more in-depth examination and prevention of corruption pursued (Government of Tajikistan, 2013).

Case Studies

Georgia

Author: Ekaterine Zguladze, former First Deputy Minister of the Interior, Georgia (2005-2012)

In 2004, when Georgia launched reforms, the country had more problems than hope: poverty, unemployment, two frozen conflicts, western Georgia ruled by a local "lord" on his own accord, limited gas, electricity, water supply, low salaries, huge debts and a very thin budget, a highly criminalised society, widespread corruption, among other issues. That year was a year of struggling, surviving with a modest budget, one's own mistakes, as well as a lack of vision and tools and financial resources for reforms. But things started to change in 2005. Police reform was an accelerator of those changes. As corrupt and brutal as police was (militia at the time), it was not to be blamed for all the problems in Georgia, but it did turn out to be the solution to many.

Similarly to most of the former Soviet countries, Georgia had an army of law enforcement that was too large, too bureaucratic and non-transparent, with duplicative functions, very low salaries and no accountability. A very strong organised mafia influence on everyday life in the absence of the rule of law made police a corruption haven. Yet, in no other area did Georgia's new government go as far, as quickly and as boldly as in the police sector. Several factors contributed to this: i) the perception of a threat: power ministries could use their power; ii) the assessment of existing capacity: the team within the Ministry of the

---

[93] http://www.police-reform.tj/index.php/ru/k2/programm.

Interior was estimated to be up to the challenge; iii) the message: the public and the criminal bosses were to be convinced about serious intentions of the new government; iv) naming and shaming corruption: uniformed police was the most visible reminder of unbearable corruption in everyday life.

As a result of the reforms of 2005-2009, trust in police was restored: the public approval rate increased from 7% in 2003 to a stable 80+% approval starting from 2006 (i.e. 80% in 2006 according to BCG research, 84% in 2010 according to the IRI), and police was named the third most trusted institution in Georgia after the church and the army.

Crime rates dropped: the influence of "thief in law" mafia disappeared as such, the large majority of mafia "bosses" had been either jailed or fled the country by the end of 2006; crime rates were halved between 2006 and 2010, armed robbery was reduced by 80%, and kidnapping was removed completely.[94] Ninety-five percent of Georgians reported feeling safe at all times.[95] Among the 15 most problematic factors affecting business measured in the World Economic Forum's 2011 Global Competitiveness Index, crime was cited as a problem by only 0.1 percent of the respondents.

Corruption declined: since 2006, only 1% of the population responded positively when polled on police corruption (local polls, IRI national surveys); According to Transparency International 2010 Global Corruption Barometer, Georgia formed one of the least corrupt police forces in Europe, after Finland and before Germany.

This is an extraordinary result, especially considering the short amount of time and few resources invested. What makes this case even more impressive is that it contradicts many of the widely accepted notions about how to implement reforms.

Below is information on the facilitating and complicating factors of the police reform in Georgia, and how they were harnessed or avoided:

1. **Believe in it.**

    Reform in police began with no strategic planning and no donor. It was hampered by a lack of budget, disorganization in the bureaucracy of the new government, non-established western partners, and inexperience of young officials, who did not do comprehensive planning or conduct due diligence. Yet, reform was *homegrown* and *fully owned* by the government. As the first step, duplicative or "unnecessary" agencies, divisions and units were merged, removed or downsized. The Ministry of Security was abolished altogether. Within a year and a half, the police citizen ratio went down from 1:80 to 1:200. Georgia's new government chose to see an opportunity in the legal and political challenge of firing thousands of police officers. Smaller police would be affordable, accountable, easier to train, motivated and efficient. Salaries rose from USD 35 in 2004 to USD 600 in 2005-2006 and kept rising as Georgia's budget increased. Strong political will proved to be crucial to succeeding in a seemingly doomed scenario with scarce resources.

    Lesson 1: Political will is the most important.

2. **Acting quickly means thinking quickly.**

    The government needed bright, honest young people and basic funding to launch reforms. A Special Reform Fund paid for salaries of dozens of "new faces" in mid-management (with private

---

[94]   Ministry of Justice of Georgia, 2011

[95]   GORBI/EU research 2011

donations and some contributions from UNDP). The Fund was operational for two years and abolished in 2006, as the state budget started to fill up due to the effective fight against corruption.

Lesson 2: Be creative but be aware. Special Funds will inevitably become a source of corruption on their own if not perceived only as a very temporary solution.

3. **Brand the reform.**

One department was singled out to make a breakthrough. Understandably, it is impossible to reform a huge system like police in one year, especially in the absence of prosecutorial and judicial support. But it turned out that it took only one day to believe it is doable. Sixteen thousand traffic police officers were dismissed overnight in Georgia. This specific department was chosen for two very different reasons: i) it was safer to reform than criminal investigative police, because it was less closely linked to the mafia and less self-organised; ii) traffic police was the most visible manifestation of daily bribe extortion. A few weeks after the dismissal, a new patrol force entered the streets and covered all areas of the country by the end of the year. Within that year, dozen traffic police officers were arrested for corruption (as per new legislation), many of them were dismissed for other violations, and many others left. New officers were recruited, training was improved, integrity was monitored (sometimes quite a controversial undercover methodology was used to identify corruption cases within police), and the new police slowly took shape. Patrol police was more than just traffic police. Starting in 2006, it also investigated certain criminal and administrative offences. The brand of patrol police was: we are not corrupt, and we care. It paid off, as the public embraced the first visible sign of change. Being a police officer became "cool" and rewarding. The quality of recruits and of the service improved. Pride in wearing the police uniform became another deterrent against corruption, which showed that money is not enough for reform, and the personal factor is effective and matters. In Georgia's case, in a very "criminally minded" society at that moment, the last ingredient in addition to the salary, benefits, monitoring, and accountability was - respect. Police officers adopted the attitude that people's respect should be gained and not be wasted.

Lesson 3: Create visibility of reform with "quick wins" for initial buy-in, but complete the reform and make it sustainable.

4. **Time the next move.**

Tension between patrol police and criminal police ran high in the beginning, and crime was still rampant. The Ministry of the Interior began by testing the ground and gauging public support. It observed the patience of the "old school" establishment with the reform, used patrol police to bring out the worst practices in criminal police, acted slowly, befriended some criminal investigation police officers, and eventually, tested the established loyalties. The government launched a frontal attack on organised crime. A law on organized crime aimed specifically at "thieves in law" was enacted in 2005. In a unique feature, following a thief's code of conduct became a crime. This addition was particularly effective as previously, according to this code, a member of the world of thieves had to admit to being one if asked, or be punished by the criminals themselves. The impact of the new zero tolerance policy on "thieves in law" and their partners was devastatingly quick. With high media coverage, heavily armed masked police rounded up high-profile bosses with no half measures. 21 criminals and 16 policemen were killed in 2005. Even though it was a heavy price to pay for any "regime" change, there was hope that it was not in vain. The state also confiscated about USD 1 billion worth of property from mafia bosses. An attempt to auction the property was an interesting test for the government. As no one

bid for the items, the police concluded that mafia was still alive if still feared by the people. In retaliation, police opened stations in some private villas of the most notorious bosses, which was effective in rooting out myths about criminal authorities.

Lesson 4: Half measures are sometimes not enough.

5. **Communicate the change.**

To make sure that everyone was aware of the reform, the Ministry of the Interior also created a new look for its brand as soon as it could afford to do so in 2005: smart clothes, smart cars, smart equipment. The logic was that success must be presented as such to be properly appreciated. Also in 2005, the Ministry of the Interior launched aggressive social ads (TV, radio) on bribery constituting corruption, and on corruption being a crime. As bribery had become a common and accepted practice for many citizens, it was important to convey the meaning and consequences of the terms. A daily patrol TV reality show named "Patrol" started to be aired. It informed viewers about developments such as changes in legislation, but it mostly contained live footage of detaining and fining well-known officials for corruption. It frequently had funny episodes from police encounters to make the police officers look more relatable. The show had two key messages: i) bribing a police officer will lead to arrest; ii) it explained the expected behavior of police officers and citizens. Finally, the Ministry of the Interior went as far as replacing the old offices with new transparent offices made of glass, surrounded by a park for the public. The motivations for the upgrade were that it was a nicer place to work at, leading to a better attitude, that the open space layout improved efficiency and teamwork, and that it would help improve the public perception of police. Even though the public initially avoided these offices, soon enough citizens began to take advantage of the public space around the building and could enter the offices without fear. Co-operation with police tripled.

Lesson 5: There will be no reforms without communicating them, and there should be thinking outside the box while communicating.

6. **Partnerships.**

As noted above, the first two years of reform were not rich in donations. Any reform needs international experience and material aid. The reform's success generated interest and trust. Yet, the Ministry of the Interior was selective with its donors and even refused a few projects that did not match its priorities. The US government was crucial in reforming the police academy, providing modern equipment and dozens of vehicles via the Bureau of International Narcotics and Law Enforcement Affairs (INL)/ the International Criminal Investigative Training Assistance Programme (ICITAP). The OSCE, UNOMIG, UNDP, and the EU Delegation helped with training and assessment. Patrol officers benefited from study visits to France, where the counterparts were quite open. Even more donors joined in after 2005 to help police reform.

Lesson 6: If you ask what you need, there is a better chance of receiving exactly that.

7. **Don't invent the bicycle.**

Georgia closely studied world experience with a special interest in the history of failed reforms in the post-soviet space. All interesting and relevant lessons were then applied to local solutions. This is especially important for fine-tuning the reforms and closing any gaps along the way.

Lesson 7: Reforming is like bicycling – you will fall if you stop pedaling.

8. **It is the 21st century.**

Although Georgia started its reform quite early in the 21st century, it harnessed technology. Many of the successes listed above and those that are not included in this brief overview owe to technologies. Adoption of technologies eliminates many instances of direct contact between the state and its citizens and thus reduces opportunities for bribery. Proper dispatch systems, registries and secure databases also lower corruption risk. Technology is also useful for monitoring purposes. As purchasing all the IT solutions was too expensive for the Ministry, it invested in its own IT department, which had young and resourceful staff, and was soon enough developing its own software and solutions. An electronic chancellery (an e-flow of documents) allowed to save significant amounts of money on paper and also was used as a tool to monitor, for instance, letters that were taking too long to be processed (a potential case of corruption).

Lesson 8: There is always a solution.

Many more small and large steps defined Georgia's police reform. It would have been a different story without a chain of reforms launched right afterwards in the prosecutor's office, customs, border guard, tax and revenue service etc. Georgia's reforms are interesting first of all because of their cross-sectoral, coordinated manner of implementation. The unity of purpose and political will define Georgia's success. At the same time, elements of this story can and have been helpful in planning different reforms elsewhere.

Romania

Corruption risk assessment

In Romania, the Ministry of Internal Affairs (MoIA) is responsible for police, border police, gendarmerie, the inspectorate for emergency response, the general immigration inspectorate, the directorate for driving licences and vehicle registration, and the general inspectorate for aviation. Corruption within the Ministry takes a variety of forms, starting from low level corruption within traffic police to organised criminal activity such as protecting organised criminal groups. There are also other, non-sector-specific corruption schemes, e.g. within public procurement and the process of recruitment of police officers.

The Anti-corruption General Directorate (DGA) is a specialised structure responsible for preventing and combatting corruption within the MoIA subordinated directly to the Minister. It has developed a Methodology for corruption risk assessment with the aim of improving the analytical capacity and responses to internal corruption risks. The methodology aims to promote integrity, institutional transparency and good progress of specific activities, set out intervention priorities and increase the responsibility by the leading ministerial staff in regards to implementation of corruption risk prevention and control measures. The methodology identifies, describes, assesses and ranks institutional and individual factors that favour or determine acts of corruption. It is based on the premise that acts of corruption do not arise in certain situations or individual cases only but are fostered by the entire

professional and institutional environment which needs to be analysed in an on-going manner so as to develop effective remedial and preventive measures.

The methodology comprises the following stages:

1. **Identification and description of risks**: this stage includes the identification of corruption threats (potential situations involving corrupt acts) that may appear within the current activities of the MoIA units, as well as vulnerabilities/causes behind them.

2. **Risk assessment**: risks are being assessed by considering the probability of their occurrence, their impact, efficiency of the measures in place for preventing or mitigating those risks, and assessment of risk exposure. At this stage, the risks are classified and ranked according to the priority of intervention.

3. **Determination (planning) of control measures**: this step involves different risk control strategies resulting in the elimination/avoidance of corruption risks, by removing, transferring or accepting them. The strategy undertaken depends on whether the risks can be controlled or not. If the risks can be controlled, different control measures are used such as reprogramming of the existing activities (i.e. rotation of duties), training of staff, setting up of internal control (new bodies or instruments) or developing managers' skills that allow to respond to the risks and to notify responsible bodies.

4. **Monitoring and periodic re-assessment**: although presented as independent, all of the aforementioned stages are interconnected in practice. At each stage and throughout the process of risk assessment, each unit, agency and the MoIA are to communicate and co-ordinate effectively, provide access to information and interact with the external environment.

The methodology is compulsory for implementation by all heads of MoIA administrative units with managerial responsibilities. Corruption Prevention Working Groups are to be established and integrity counsellors to be appointed within each unit. Both the counsellors and all heads of units are to be trained in the application of the methodology by the DGA.

An IT application and the related database were developed by the DGA as part of the project "HOME/ISEC/AG/FINEC/4000002185 – Improving MoIA Capacity to Identify and Diminish Corruption Risks and Vulnerabilities through IT Solutions". The database gathers information on the application of the methodology at MoIA level, information on corruption cases (integrity incidents), risk-related activities and assessments. It allows for better communication among personnel involved in the corruption risk assessment, more efficient management of the process and more stringent monitoring.

The DGA exercises controls over the implementation of the methodology at central and local levels within the MoIA through data and information submitted internally as well as monitoring and assessment reports. Various ministerial structures monitor and revise corruption risks on an annual basis. If corruption recurs, the DGA can perform a re-assessment to identify eventual malfunctions and formulate recommendations in regards to prevention/remedial measures. In case of integrity incidents (concrete corruption cases), the unit concerned is to transmit information to the DGA, which then carries out an assessment visit to identify individual and organisational factors that favoured the occurrence of the integrity incident (act of corruption). The DGA is to examine the modality in which the management of corruption risks was performed within the structure concerned, present conclusions and recommendations, and monitor their subsequent implementation.

The methodology is being continuously improved. If new corruption risks are identified or new assessment criteria are created, the methodology is to be re-applied. To keep the methodology up to date, the DGA carries out quantitative (internal and external) surveys in order to monitor trends in corruption perception within the MoIA, the experience with corruption of the employees and citizens, internal and external attitudes towards corruption, engagement and experience with whistleblowing about corruption, etc. These are supplemented by qualitative studies addressing some areas of MoIA activities which are specifically prone to corruption.

The Ministry rates the initiative as highly successful, as it offers a standard for public authorities to assess areas potentially prone to corruption. The Ministry has implemented concrete measures as a result of the methodology, such as a new recruitment system, changes in the system for obtaining driving licences, changes in the system for registering vehicles. The European Commission has expressed appreciation for the system within the framework of the Cooperation and Verification Mechanism. Additionally, *the 2012-2015 National Anti-corruption Strategy* considers it a good practice, and proposes that it be tested and extended to other public institutions. The DGA is already undertaking steps to implement the methodology in four public institutions: the Ministry of Health, the Ministry of National Education, the Ministry of Justice (the National Administration of Penitentiaries), and the Ministry of Public Finance – National Agency for Fiscal Administration.

Integrity testing

Integrity tests were developed as a prevention method/administrative tool to deter corruption of police officers/MoIA personnel. It does not require prosecutor's approval, and involves the creation of virtual situations, similar to the ones that the MoIA personnel encounters when performing daily official duties. It cannot be applied to activities such as public procurement or internal promotion, but it is useful for departments such as traffic police, border police, issuing of documents etc. The impact on dissuading corrupt behaviour is said to be salient as any police officer might be subject to such test at any time.

The initiative was developed by the DGA with the support of experts that contributed to the setting up of the institution in 2005-2006, having in mind the experience of integrity testing in the UK.

Implementation

In every single case, a special unit within the DGA responsible for integrity tests has to check if the professional integrity testing is absolutely necessary for the goal pursued. Initially, integrity testing was regulated by a classified order but, due to criticisms, including from foreign experts who insisted that the methodology should be made public and that all personnel who can be subject to such tests should be able to familiarise themselves with the pertinent regulations, the procedure was established in law (No 38/2011). The new legislation also recognises that the professional integrity testing is to take into account of fundamental freedoms and rights, human and professional dignity of the persons concerned, and that instigation to commit crimes and/or disciplinary infringements is to be prohibited.

The **integrity test** is a covert operation focused on a person's conduct which aims to verify his/her reaction to corruption, especially bribery. It is made up of the following stages:

1. **Reception and previous documentation of data and information:** The Operations Service centralises demands of structures subordinate to the DGA regarding professional integrity testing. It assesses the opportunity for performing the integrity testing, and usually gathers preliminary data regarding various activities which are vulnerable to corruption.

2. **Organisation of the testing activity:** During this stage, vulnerabilities of the various activities submitted for integrity testing are set out, and preliminary documentation on the vulnerabilities is

gathered. The virtual situation is conceptualised, including the personnel and the means to be used. The virtual situation would include two or several hypothetical options, adapted to the real modalities and conditions of the professional activity and depending on possible reactions.

3. **Preparation of the testing activity**

- Preparation of the designated personnel, through a testing plan, training of each participant on behaviour, addressing manner, actions in unpredictable situations, communication means with other team members etc.;

- Provision of logistics, preparation and installation of the technical means to conduct audio-visual recording;

- Procurement of documents and papers necessary for carrying out the testing (*e.g.* identity cards, driving licences, registration plates, passports, residence permits, authorisations from companies, birth certificates etc.);

- Provision of goods and values to be used in the integrity testing activity (*e.g.* cash, alcoholic drinks, cigarettes, coffee etc.);

- Mentioning in a protocol the goods and values used, such as characteristics, particularities, quantities, series, elements, capable of individualising and identifying them.

In case of an unpredicted situation, the officer who leads and co-ordinates the testing will be notified and decide whether to continue or interrupt the activity. A test may be interrupted in case of force majeure generated by a health condition or unpredictable actions, deficiencies of a logistical nature which cannot be immediately resolved, the risk of physical violence against the person carrying out the test, and other situations.

1. **Completing the testing:** the action co-ordinator officer shall submit a report to the DGA management.

The tests are applicable to any of the MoIA personnel. Persons to be tested are selected based on areas and places identified as having a high risk/vulnerability to corruption, information provided by management of particular units, internal and external complaints.

The results of a test are considered positive if the test subject behaves according to the law and proves his/her integrity, or if the person acts with understanding towards the reasons given by the testing officer (*e.g.* warning for speeding without giving a fine). The DGA then informs the head of the MoIA structure to which the employee belongs about the results, following which the head of the structure is obliged to discuss the results with the staff for transparency purposes. There is no obligation to inform the tested person of the results of the test.

The result is estimated to be negative if the tested employee receives money or undue goods in exchange for not accomplishing service duties. In this scenario, the DGA notifies a prosecutor who assesses whether or not to launch an investigation. The recorded behaviour cannot be used as evidence in trial, but only as a starting point in further criminal investigations. In case the prosecutor decides that the employee's behaviour does not qualify as a criminal offence, the head of the institution where the employee is employed is to impose a disciplinary and/or administrative measure. If the prosecutor takes the view that the committed act constitutes a criminal offence, he/she will authorise the use of operative (under-cover) investigation resulting in the catching of the employee concerned in *flagrante delicto*.

In 2015, DGA conducted 87 integrity tests, of which 12 with negative results, while the MoIA conducted 94 tests, of which also 12 with negative results. All negative results were communicated to the

Prosecutor's Office for a decision on the initiation of a criminal procedure. In addition to the results of the tests, the number of complaints received from the MoIA personnel is yet another indicator for monitoring the efficiency of this deterrent measure.

The DGA regularly organises awareness-raising sessions for MoIA personnel at which examples of integrity tests are presented and discussed. In 2015, over 3 500 prevention and informing sessions were held.

Activities of the DGA (in general and not specific to integrity testing) are subject to external monitoring within the framework of measures implementing the National Anti-Corruption Strategy.

Ukraine

Author: Ekaterine Zguladze, former First Deputy Minister of the Interior, Georgia (2015)

Similar to many places in the world that have experienced decades of cancer type corruption, that metastases into every cell of social, economic and political fabric, corruption in Ukraine is considered "permanent, cultural, undefeatable monster". This perception is often the strongest obstacle in fighting corruption, unless … one has a "hero". Ukraine's police reform has become such a "hero" or, to put it more accurately, is currently groomed to become one. If in March 2015, only 13 % of the respondents approved or somewhat approved the work of traffic police in Kiev[96], in February 2016 overall satisfaction was expressed by 60%.[97]

Appointed in 2015, a small team of reformers at the Ministry of Interior adopted an unconventional approach from the outset. It built on a successful reform of patrol police in Georgia, broadly known and admired in Ukraine, which allowed for winning several battles simultaneously:

1. The Bureau of International Narcotics and Law Enforcement Affairs (INL) under the US Department of State and the International Criminal Investigative Training Assistance Program (ICITAP) under the US Department of Justice, i.e. donors that were involved in Georgia's police reform, were convinced to become partners;

2. The Government, cautious of a law enforcement reform, was satisfied with the prospect of a quick win with relatively small loses and minor initial commitment;

3. Law enforcement officers didn't feel threatened or mobilised to block the reform as patrol police was only a fraction of the police force, one that has been "reformed" four times without success in the preceding eight years;

4. The involvement of Georgians in the team helped generate early public trust – if "they did it once, they could do it again"; and

5. The most important argument in the context of Ukraine – a patrol police reform applied a bottom up approach, unlike in Georgia, where a top down approach was followed.

In terms of fighting corruption, traffic police in Ukraine ("DAI" or road auto-inspection in the Ukrainian language) is not the most dangerous, although possibly the most visually aggressive form of

---

[96]   http://www.iri.org/sites/default/files/wysiwyg/2015-05-19_ukraine_national_municipal_survey_march_2-20_2015.pdf

[97]   http://www.iri.org/sites/default/files/wysiwyg/municipal_poll_2016_-_public_release.pdf

state corruption in Ukraine. Yet from the reformers' perspective its overhaul was to trigger fundamental changes across the entire law enforcement system and it did.

The reform was launched in January 2015 with a call for recruitment into a new agency: patrol police. Well planned communication, increased salary (8 000 hrivnas versus 2 500 previously), intrigue and a post-Maidan vibe had all helped attract over 37 000 applicants for 2 000 newly created positions. Complex new testing was implemented comprising general skills, physical skills, psychological profiling and structured personal interviews. Also, an entirely new police course was developed underpinned by a new curriculum, and new professors entered the Academy under the Ministry of Interior. Three months later, first recruits were already studying there.

Why such a rush? The reform needed to build credibility, show efficiency of the team, urge legal changes, press the State to allocate appropriate budget and secure donor assistance. Why accent on new? The reform team believed that, by creating this parallel reality, they were showing difference between the flaws of the old, corrupt way of recruitment and training (characterised, amongst others, by diploma selling practices), and strengths of the new, transparent, professional, objective, largely automated testing and modern teaching. Furthermore, at this stage, the results were not as yet visible on the street. As to new people, every reform requires "new blood", especially in a highly corrupt setting. The recruitment was also used as an opportunity to advice old DAI officers to undergo new, fair selection procedures. Overall, creating a parallel structure while demolishing the old one, instead of trying to upgrade it, was considered both time- and resource-efficient, especially in a context where criminal police, prosecutor's office and courts remain unreformed.

What is interesting in the case of Ukraine is that the reform team had challenged itself with impossible deadlines to solicit the support of parliament, government and donors. Within six months of the launch of the reform, 2 000 newly recruited officers took an oath in the capital city and, within a year, 10 000 new officers were employed in 27 largest cities of Ukraine.

With this effort, Ukraine has not only build a completely new, uncorrupt segment of police force, but also installed new non corrupt recruitment and training procedures, which are now being replicated and employed by many state agencies unrelated to criminal justice field.

The success of the reform has also spread to multiple other areas, as the reform team had initially hoped. Donors approved the results and supported new efforts. The government gave its backing by agreeing to raise salaries in the police force. The creation of new Special Forces is underway, which is critical given that the previous special forces had resorted to brutal violence, including lethal, during the Maidan demonstrations. In terms of fighting corruption two other critical steps have been taken as well. 2016 was dedicated to the stabilisation of achievements of the patrol police reform and leveraging the obtained credibility for vetting and re-attesting the entire police force. Vetting commissions were composed of civil society activists, this being explained by high skepticism toward anti-corruption reforms in Ukraine generated by unsatisfied public demand for high profile corruption cases adjudicated by courts and lack of trust in special police due to their role in Maidan events. 5 000 police officers were dismissed and another 5 000 demoted. Saliently, some 4 000 officers were promoted[98], arguably setting a precedent of a first non-corrupt merit based promotion, which, as the team hopes, would be maintained in the future.

The second most important achievement was the setting up of a monitoring unit within patrol police to ensure regular quality check of the agency and also, an overall reform of the internal investigation unit within criminal justice police.

---

[98]   *Source: National Police of Ukraine.*

Donor

The patrol police reform is also an interesting case of a donor-beneficiary relationship. From the moment when it was launched, it relied almost entirely on donor assistance: administrative expenses, recruitment, curriculum development, training, equipment (including tablets and body cams for officers), uniform, vehicles, IT and communication were all financed from grants. Starting with 15 million USD from the US government (via INL/ICITAP) for the setting up of 6 000 officers in three largest cities. An agreement with US INL and ICITAP had allowed for all unallocated assistance to law enforcement to be directed to one single project. To build trust, the reform team had showed unique openness, created joint project management units and offered donors a possibility to execute their budget directly, through their respective procurement procedures. Efforts were also deployed to ensure that each stage of the reform is nailed as success to facilitate inflow of funding and attract new donors. Soon Canada, Japan, Organisation for Security and Cooperation in Europe (OSCE), International Road Federation (IRF), European Union Advisory Mission (EUAM), United Nations Development Programme (UNDP), the Council of Europe and others made small or large contributions to support the reform.

Communication

Instead of using scarce resources for advertisement purposes, each step of the reform was transformed into a distinct communication tool. For example, the team had cast a blind eye on journalists pretending to be potential traffic police recruits and let them undergo tests or actual training; or placed over 100 civil society activists onto interview commissions to generate talks about new selection methodology in the social media. Within a month of its launch, the traffic police reform was debated more than any other government initiative. As soon as the new officers were dispatched to street, they became key reform communication agents. That also explains why the reforms team had insisted on the full rebranding, new uniform (with US assistance) and new vehicles (Japanese grant under the Kyoto protocol). In 2015, patrol police won all possible nominations by the Ukrainian media and civil society, including for "best reform" and "first true reform", and was even nominated as the "best startup of the year" by the Ukrainian business community.

Challenge of the reform

Police reform as well as some other good reform initiatives in Ukraine are still only islands in the ocean of corruption and there are no bridges between them. If the prosecutor's office is left unreformed, as are also the security services, courts, not to mention border, customs etc., then the police reform is likely to bring certain results in terms of reducing corruption short-term, but eventually it is destined to fail.

There are other challenges too. Opponents of the reform have now joined forces against the reforms, as anticipated by the reform team.

Expectations are yet another caveat which need to be managed patiently. The public expects and politicians demand immediate results in terms of reduction in crime. From this perspective some of the criticisms against the police reform might be justified: the system has been destabilised by the fight between the old and the new, and the quality of work in certain aspects has been undermined. But the reform in itself is never a cause of an increased crime. Spikes in certain crimes that are observed in Ukraine can be attributed to many factors. Several on each side are mentioned below:

Negative factors:

1. Social and economic hardship caused by war and inflation lead to an increase in certain crimes, e.g. theft and burglary;

2. Continued hostilities and illegal weapons might cause increase in armed robberies as well as more serious threats connected to arms and drug trafficking, even terrorism.

Positive factors:

1. Enhanced trust towards police also means that more people come forward with their problems to seek police help; and

2. Reducing police corruption will always initially show into statistics, since less corrupt police register cases, does not dismiss them for bribes, resell or simply omit so that statistics look good.

Ukraine's police reform is still in its infancy. The pilot phase ended in November 2015 and only a year has elapsed since the birthday of the country's National Police. Therefore, it might be premature to ascertain its results but never too early to appreciate the volume of work accomplished and search for areas where this experience can benefit the reform of other sectors of Ukraine's criminal justice system.

Conclusion

Police is regarded as one of the most corrupt sectors worldwide and the most corrupt institution in Kazakhstan and Kyrgyzstan in the ACN region. Several features inherent to the operation of the police force heighten corruption risks. These include notably wide discretion in certain decision-making areas and little or insufficient supervision and oversight. Generic factors which are conducive to corruption are relatively low salaries, poor integrity levels and frequent ignorance or lack of respect for professional standards. The incidence of corruption also depends on the level of democracy, institutional set-up, government capacity to combat police corruption effectively, the strength of civil society and media independence. Police corruption is much harder to eliminate in situations where criminal groups have infiltrated the police. Impunity among police officials still persists in many ACN countries.

A total of fourteen ACN members report a focus on police in their anti-corruption strategies and policies, with traffic police eliciting priority attention due to elevated corruption and bribery. In most of the ACN countries, risk analysis has become an essential tool for elaborating evidence-based corruption prevention polices and measures. A case study from Romania illustrates how a methodology has been designed to address professional and institutional contexts of integrity violations and how such methodology has been implemented in practice to provide for a detailed and holistic analysis of corruption risks and incidents of corruption. Latvia and Kazakhstan are among those who also carry out comprehensive risk assessments. In other countries only certain police structures have been subject to such assessments, namely traffic police in Kyrgyzstan and integrated state border management service in Moldova.

Several ACN countries have taken measures to improve integrity and increase objectivity and transparency of the recruitment process in the police force. Bulgaria and Moldova have introduced integrity tests at the stage of initial recruitment, while in Romania any police officer can be subject to integrity testing in the course of his/her career. Kazakhstan, Kyrgyzstan and Tajikistan now resort to competitive recruitment of police staff, while Kyrgyzstan as well as Romania report on specific measures applied at the recruitment stage, i.e. more rigorous monitoring of tests and exams, including through electronic testing and video surveillance.

It would seem that financial incentives have been used as deterrence against corruption by only two countries so far. In Latvia financial bonuses have been awarded to road police officers for detaining bribe-giving drivers. In Kyrgyzstan, a part of the fine levied by road traffic police is now directed towards relevant police structures and their employees.

Corruption prevention trainings and awareness-raising initiatives have been boundless. Amongst others, Bulgaria and Serbia have carried out training and awareness-raising on the Code of Ethics for police employees. Macedonia has put in place initial and in-service training on the prevention and fight against corruption. Moldova's Ministry of Interior and border police personnel took part in anti-corruption training, Mongolia conducted various rule of law trainings and Montenegro is planning to organise trainings for police officers and trainers in 2016.

Another noticeable feature inherent in most ACN countries has been greater recourse to IT tools, audio-visual and other similar equipment. In Armenia, Kazakhstan and Kyrgyzstan, IT is used e.g. for registering statistics on accidents and online monitoring of license examinations. In Kyrgyzstan payment terminals are promoted as a means to avoid cash exchanges when paying fines to traffic police. Bulgaria, Macedonia and Moldova are either already using or planning to install audio-visual equipment in state police buildings, at checkpoints, in bureaus for migration and asylum and customs services.

A "one Window" approach to delivering services within the police structures has however been only mentioned by Armenia and Kazakhstan.

Case studies from Georgia and Ukraine illustrate how countries can succeed in implementing drastic reforms in the highly criminalised police force despite the lack of resources by harnessing political will. Considered to be the face of the country's corruption, in 2005 the Georgian and in 2015 the Ukrainian traffic police underwent sweeping purges. In Georgia, large-scale dismissals were moreover combined with arrests for corruption and other types of crime. The successful approbation of new recruitment methods, coupled with innovative branding and image as well as consistent and continuous communication and explanation of the reform's objectives have all facilitated swift transformation of the Georgian police into an institution enjoying broad public trust. In Ukraine, police reform is still in its infancy and its results are yet to be fully ascertained.

References

Bayley, D. and R. Perito (n.d.), *Special Report, Police Corruption What Past Scandals Teach about Current Challenges*, UNIP, Washington, https://www.usip.org/sites/default/files/SR%20294.pdf.

Corruption Prevention and Combating Bureau of Latvia (2015), *Guidelines for the Corruption Prevention and Combating, 2015-2020 (Informative Part)*, Corruption Prevention and Combating Bureau, Riga.

Council of Europe (2015), *Risk Analysis of Corruption within Law Enforcement, Strengthening the Capacities of Law Enforcement and Judiciary in the Fight against Corruption in Serbia (PACS)*, Council of Europe Belgrade Office, Belgrade, https://www.coe.int/t/dghl/cooperation/economiccrime/corruption/Publications/PACS-Serbia/TP%2010%20RISK%20ANALYSIS%20POLICE%20FINAL.pdf.

GAN Integrity (n.d.), Business Anti-Corruption Portal, "Country Profiles", http://www.business-anti-corruption.com/country-profiles.

Government of Moldova (2014), *Национальная стратегия интегрированного менеджмента государственной границы на период 2015-2017 годы* (National strategy for integrated management of the government border for 2015-2017).

Government of Montenegro (2016), *Operating Document for the Prevention of Corruption in the Areas Exposed to Special Risk, Annex to the Action Plan for Chapter 23 – Judiciary and Fundamental Rights*.

Government of Montenegro (n.d.), *Action Plan for Chapter 23 Judiciary and Fundamental Rights*.
Government of Serbia (2013), *The National Anti-corruption Strategy in the Republic of Serbia for 2013-2018*.

Government of Tajikistan (2013), *Стратегия противодействия коррупции в Республике Таджикистан на 2013-2020 годы* (Strategy for Fighting Corruption in the Republic of Tajikistan during 2013-2020).

IDM (2014), *Police Integrity and Corruption in Albania*, IDM, Tirana, http://idmalbania.org/wp-content/uploads/2014/12/Integriteti_dhe_korrupsioni_web_ENG.pdf.

Ministry of Finance (2016), *Police Development Strategy, 2016-2020*, Skopje.

Newburn, T. (1999), *Understanding and Preventing Police Corruption: Lessons from the Literature, Police Research Series*, Paper 110, Home Office, Policing and Reducing Crime Unit, Research, Development and Statistics Directorate, London, http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.431.1012&rep=rep1&type=pdf.

NUPI, OSCE Academy (2015), *Central Asia Policy Briefs*, No. 18 "Lessons of the OSCE Police Assistance in Central Asia with a Case Study of Kyrgyzstan", OSCE Academy in Bishkek, Bishkek, http://osce-academy.net/upload/file/Policy_Brief_18.pdf.

OSCE (2013), *Anti-corruption Mechanisms and Accountability of Police Officers in Montenegro*, Centre for Democracy and Human Rights (CEDEM), Podgorica.

Shahnazarian, N. (2012), "Police Reform and Corruption in Georgia, Armenia, and Nagorno-Karabakh", PONARS Eurasia Policy Memo No. 232, Elliott School of International Affairs, https://www2.gwu.edu/~ieresgwu/assets/docs/ponars/pepm_232_Shahnazarian_Sept2012.pdf.

Progress Report on the Implementation of the Republic of Moldova - European Union Association Agenda, September 2014 - March 2016, http://dcfta.md/uploads/0/images/large/progress-report-on-eu-moldova-association-agenda-march-2016.pdf.

Transparency International (2013), *Global Corruption Barometer 2013: Report*, Transparency International, Berlin, https://www.transparency.org/gcb2013/report.

UNODC, *Statistics*, http://www.unodc.org/unodc/fr/data-and-analysis/statistics/, accessed 20 October 2016.

Further reading:

Centre for Security Studies (2015), *Corruption Risk Assessment in the Security Sector of Bosnia and Herzegovina*, Cabinet Order No. 393 of 16 July 2015, Centre for Security Studies, Sarajevo.

CONCLUSION

Sectoral approach to corruption prevention usefully complements broader horizontal national corruption prevention policies and strategies. Based on concrete evidence and better grasp of risks and vulnerabilities, sectoral measures tend to be more realistic and targeted and therefore more likely to bring about sustainable progress in curbing corruption both short- and long-term.

This practical study contributes to the on-going debate on the advantages of the sector-focused approach to corruption prevention in three sectors in ACN members – education, extractives and police. These were selected due to education and extractives being the focus of the ACN corruption prevention seminar at Issyk-Kul in May 2016, already providing cases that deserved to be documented. Police is considered one of the most corrupt sectors worldwide and is of special interest to post-Soviet countries due to their ongoing reforms in this area.

On the basis of primary data submitted by 17 ACN members by means of responses to a scoping questionnaire, types and risks of corruption in education, extractives and police have been analysed and certain common approaches and good practices to preventing and tackling corruption identified, regardless of whether these are pursued by governments, businesses or civil society or all of the aforementioned stakeholders.

Although education does not appertain to the top most corrupt sectors worldwide and in the ACN countries specifically, high levels of public spending and public employment as well as high enrolment of students in institutions of primary, secondary and high education make it vulnerable to corrupt practices and integrity violations. In certain countries of the ACN region, education sector is marred by corruption, dishonesty and misappropriation of public funds and parental contributions.

Several trends are apparent in the reported national policies, practices and case studies. Some ACN countries have conducted surveys on corruption perception, for example, Kyrgyzstan and Macedonia. Yet, it would be beneficial for more countries in the region to rely on evidence-based analysis so as to better inform their anti-corruption policies and practices in this area.

Securing the integrity of tests and exams has become priority in most of ACN members and assured through standardised, and in many instances computerised, tests as well as use of video surveillance and other recording devices (for example, in Azerbaijan, Kazakhstan, Moldova and Tajikistan). The introduction of a uniform system for school graduation and university admission has also been pursued and considered effective in terms of corruption prevention (e.g. by Armenia, Kazakhstan and Ukraine).

Several countries undertook determined actions to boost integrity of employees of the education sector. Vacancies for teachers' and principals' posts are now openly advertised, and more objective and fairer recruitment processes have been instituted. Teachers' codes of conduct have been adopted, stipulating standards of acceptable comportment in regards to acceptance of gifts and services from students, parents and parental associations (for example, in Moldova).

Furthermore, e-tools have been used to report integrity violations and gather evidence, feedback and first-hand experiences of corruption primarily from students, parents on various dimensions of education services.

Turning to the extractive sector, it is widely regarded as suffering from severe governance deficits and corruption, with high prevalence of transnational monetary bribes of a large value. Seven ACN members, including four from Central Asia, report that their anti-corruption strategies and action plans and related policies focus specifically on the extractive sector. In many of those countries, the initial preventative steps

have been directed towards attaining heightened transparency through measures such as the digitalisation of data on mineral deposits, creation of interactive electronic maps (for example, a map of minerals and of licensed areas in Kyrgyzstan), the creation of web portals providing comprehensive information on the volumes of extraction, processing, sale, bidding procedure, etc. (e.g. in Kazakhstan) and on procedures for applying for contracts and licenses as well as revenue collection (e.g. in Kyrgyzstan). Certain ACN countries have also introduced "one window" services for subsoil users (Armenia) and made the awarding of contracts and licenses competitive (Kyrgyzstan). Exploration, exploitation and production of natural resources have become subject to more stringent supervision and monitoring and in certain countries a requirement for the accounts of extractive companies' to undergo compulsory audit has been introduced (e.g. in Kyrgyzstan). Certain companies have furthermore become more accountable to local communities (e.g. in Mongolia).

Numerous multi-stakeholder initiatives have been carried out across the ACN region triggering important reforms and fostering wider civil society engagement in policy making. EITI is one of the best known global initiatives whose standards are implemented in seven ACN members. It promotes publication of company payments and government receipts from extraction and exporting of natural resources. EITI has influenced legislative frameworks on mineral resources in Albania, Kazakhstan, Kyrgyzstan, Tajikistan and Ukraine and helped build mechanisms for improved transparency and accountability *inter alia* via designated "focal points" in governments and companies and community liaison offices in provinces and tripartite councils. EITI has also promoted the disclosure of companies' beneficial owners through pilot projects (e.g. in Kyrgyzstan and Tajikistan).

Finally, the police is regarded as one of the most corrupt sectors worldwide and the most corrupt institution in Kazakhstan and Kyrgyzstan in the ACN region. Several features inherent to the operation of the police force heighten corruption risks. These include notably wide discretion in certain decision-making areas, little or insufficient supervision and oversight, low salaries, poor integrity levels and frequent ignorance or lack of respect for professional standards. Police corruption is harder to eliminate where criminal groups have infiltrated the police.

A total of fourteen ACN members report a focus on police in their anti-corruption strategies and policies, with traffic police eliciting a priority attention due to elevated corruption and bribery. In most of the ACN countries, risk analysis has become an essential tool for elaborating evidence-based corruption prevention polices and measures. A case study from Romania illustrates how a methodology has been designed to address the professional and institutional context of integrity violations and how such methodology has been implemented in practice to provide for a detailed and holistic analysis of corruption risks and incidents. Latvia and Kazakhstan are among those who also carry out comprehensive risk assessments. In other countries only certain police structures have been subject to assessment, for example, traffic police in Kyrgyzstan and integrated state border management service in Moldova.

Several ACN countries have taken measures to improve integrity and increase objectivity and transparency of the recruitment process in the police force. Bulgaria and Moldova have introduced integrity tests at the stage of initial recruitment, while in Romania any police officer can be subject to integrity testing in the course of his/her career. Kazakhstan, Kyrgyzstan and Tajikistan now resort to competitive recruitment of police staff, while Kyrgyzstan as well as Romania report on specific measures applied at the recruitment stage, i.e. more rigorous monitoring of tests and exams, including through electronic testing and video surveillance.

Corruption prevention trainings and awareness-raising initiatives have been boundless. Amongst others, Bulgaria and Serbia have carried out training and awareness-raising on the Code of Ethics for police employees. Macedonia has put in place initial and in-service training on the prevention and fight against corruption. Moldova's Ministry of Interior and border police personnel took part in anti-corruption

training, Mongolia conducted various rule of law trainings and Montenegro is planning to organise trainings for police officers and trainers in 2016.

Another noticeable feature inherent in most ACN countries has been greater recourse to IT tools, audio-visual and other similar equipment. In Armenia, Kazakhstan and Kyrgyzstan, IT is used for registering accidents and for online monitoring of license examinations. In Kyrgyzstan payment terminals are promoted as the means to avoid cash exchanges when paying fines to traffic police. Bulgaria, Macedonia and Moldova are either already using or planning to install audio-visual equipment in state police buildings, at checkpoints, in bureaus for migration and asylum and customs services.

Case studies from Georgia and Ukraine illustrate how countries can succeed in implementing sweeping reforms in the highly criminalised police force despite the lack of resources by harnessing strong political will.