

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

2021 Annual Report

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

Annual Activity Report for 2021



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# Message from the Head of the OECD Anti-Corruption for Eastern Europe and Central Asia (ACN)

Dear ACN Members and Partners,

On behalf of the ACN Secretariat Team, I am pleased to share with you the ACN Annual Report for 2021.

As for all of you, the 2021 year was challenging for our Team due to the COVID-19 restrictions, including quarantines, travel restrictions and lockdowns. These restrictions were particularly challenging for many of our activities that require in-depth face to face discussions among experts, constructive negotiations to find consensus on challenging issues, and in-person communication to build professional networks.

Despite these difficult circumstances, we have successfully implemented our planned objectives for 2021. Namely, we completed the pilot monitoring of Armenia, Azerbaijan, Georgia, Moldova and Ukraine under the Istanbul Anti-Corruption Action Plan (IAP) Monitoring Programme, which will allow the Secretariat to finalise the Anti-Corruption Performance Indicators and launch the 5<sup>th</sup> Round of IAP monitoring. We reached an agreement within the Law-Enforcement Network (LEN) to launch the Matrix of High-Level Corruption Cases. We collected data for the Second Regional Business Integrity Report. We conducted the Anti-Corruption Review of the Energy Sector in Ukraine and completed a series of training sessions for law-enforcement bodies under the country projects for Ukraine and Uzbekistan.

These achievements would not have been possible without your exceptional engagement and cooperation throughout this period that played a crucial role and helped the ACN Team to carry out its work effectively. Thus, we would like to express our gratitude to all National Coordinators, country monitoring experts, civil society, business and international partners, donors and our host organisation for all the outstanding support we enjoyed. And I personally would also like to thank the ACN Secretariat for their high professionalism and excellent team spirit.

Last year, we all were hoping that 2022 would leave the pandemic troubles behind us and we would be able to re-start normal activities, including organizing face-to-face meetings and country missions while working on our main objectives. Among them is the 5<sup>th</sup> Round of IAP monitoring, the LEN meeting to discuss the first edition of the High-Level Corruption Matrix, the launch of the Business Integrity-related comprehensive training program, and capacity development activities including a series of training sessions within the new country projects.

But the Russian invasion of Ukraine has brought tragedy to our region. Many members of the ACN Secretariat who come from Ukraine engaged in supporting their families, friends, and country, with remarkable help from the rest of the team and many other OECD colleagues. Alongside providing this humanitarian assistance, we are engaged in the elaboration of the post-war reconstruction plans for Ukraine in the area of anti-corruption.

Despite this challenging context, the ACN Secretariat Team is looking forward to continuing working closely with all of you. In 2022, we aim at making more practical and effective steps towards fighting corruption and supporting our partner countries to enjoy a free, fair and prosperous life.



Olga Savran

## About the ACN

Established in 1998, the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) is one of the global relations programmes of the OECD Working Group on Bribery. The ACN brings together 24<sup>1</sup> countries, international and civil society organisations, and business representatives. It provides its members with a regional forum to promote anti-corruption reforms, exchange of experience, and elaboration of good practices.

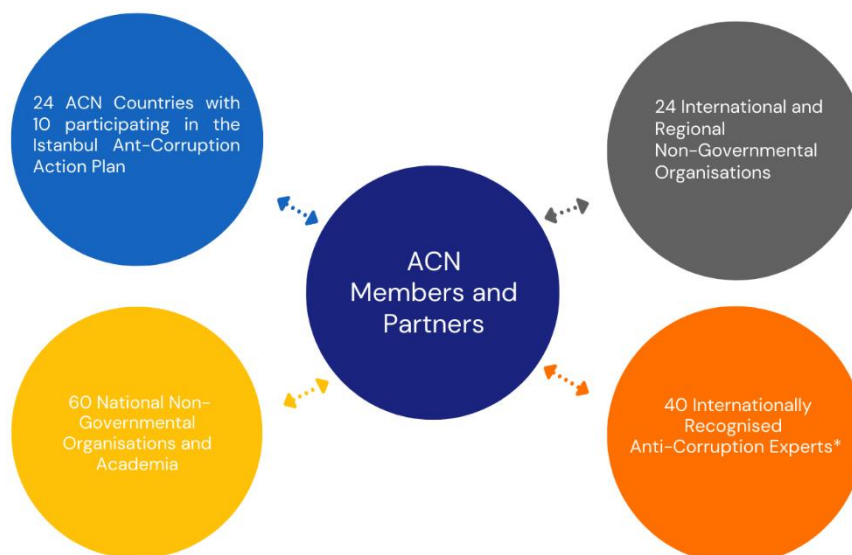
Since the Istanbul Anti-Corruption Action Plan (IAP) launch in 2003, the ACN has been promoting anti-corruption reforms in IAP member countries through comprehensive peer reviews. After each IAP Monitoring Round, the ACN Secretariat prepares a comprehensive Summary Report that summarises the key results of the respective monitoring period. The latest [Summary Report](#) was published in 2020.

To further facilitate engagement and experience sharing on good anti-corruption practices in the region, in 2009, the ACN started thematic peer learning programmes. Activities include expert seminars as well as cross-country studies, such as the Study on Liability of Legal Persons for Corruption in Eastern Europe and Central Asia (2015), the Study on Foreign Bribery Offence and its Enforcement in the region (2016), the Study of the Independence of Prosecutors in Eastern Europe, Central Asia and the Asia Pacific (2020).

In 2010, the ACN established the **Law-Enforcement Network (LEN)** to help law-enforcement practitioners working on corruption cases in the ACN region build their capacity, learn about the modern investigation and prosecution techniques, and contribute to regional cooperation.

The ACN started its Business Integrity (BI) work in 2012 to provide a forum for BI practitioners from the governments and the private sector to share good practices and track regional progress. In this frame, the ACN Secretariat organized various experience-sharing meetings and published the Study on Business Integrity in Eastern Europe (2016).

Building on its expertise, the ACN also assists member countries in enhancing their national anti-corruption systems through dedicated country projects such as the project in Kyrgyzstan, Romania, Ukraine and Uzbekistan.

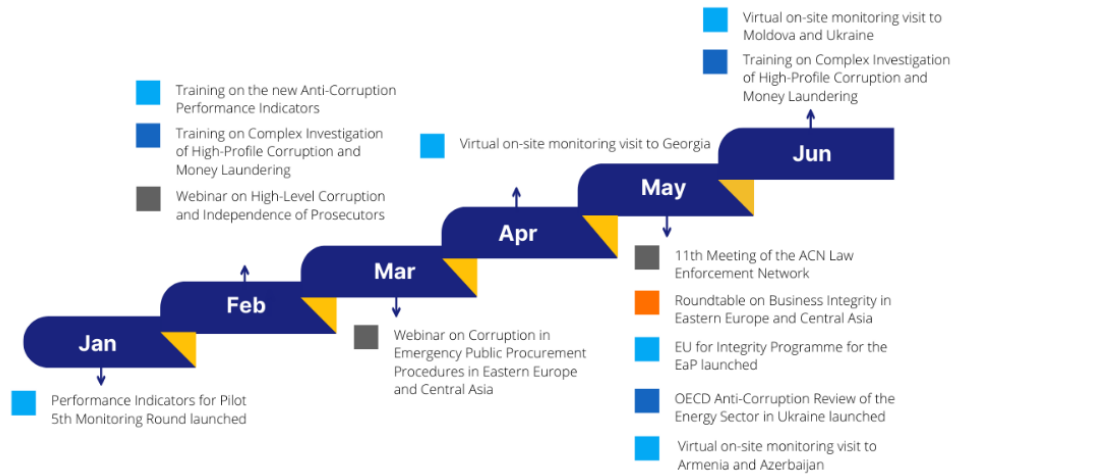


*Note: This represents the number of experts involved in the pilot Monitoring Round conducted in 2021.\**

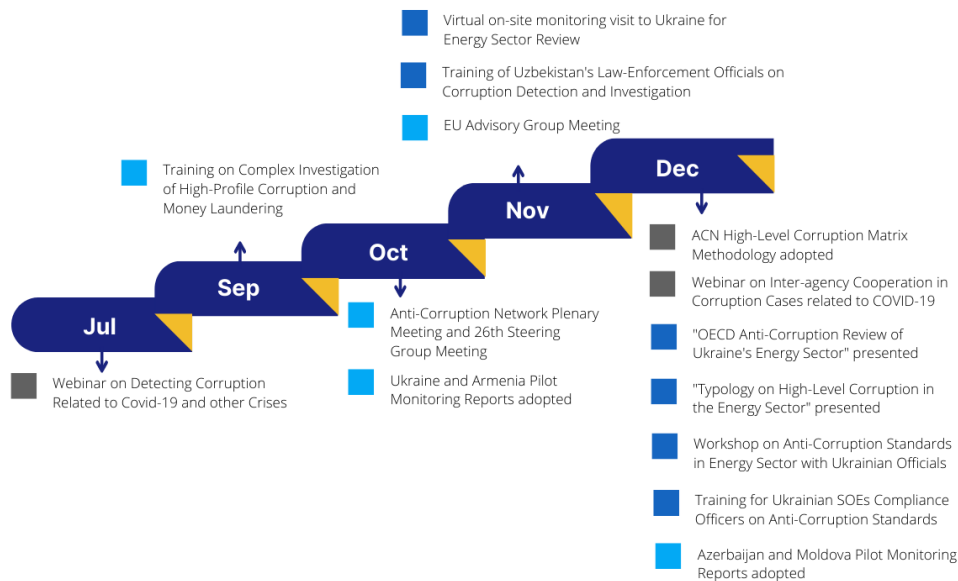
<sup>1</sup> In response to Russia's large-scale aggression against Ukraine, the [OECD Council](#) has decided to suspend the participation of Russia and Belarus in OECD bodies.

## The 2021 Year in Review

January - June



June - December



Note: In addition to supporting the IAP monitoring programme, the "EU for Integrity Programme for the Eastern Partnership" also include activities related to law-enforcement, business integrity and integrity in the education areas.

## The 2021 Year in Numbers



# Main Activities of 2021

## IAP Monitoring Programme and Regional Dialogue

Upon finalising the 4<sup>th</sup> Round of Monitoring in 2019, the ACN Steering Group adopted the outline of the [ACN Work Programme of 2020-2024](#) that envisages an innovative approach to the 5<sup>th</sup> Round of IAP Monitoring. While maintaining the key principles of peer review, the new round will mark a significant change from the previous monitoring rounds as it will be based on the standardised and pre-defined Anti-Corruption Performance Indicators and clear benchmarks for nine Performance Areas covering anti-corruption policy, prevention of corruption and enforcement of criminal liability for corruption.

Following a highly participatory work to develop Performance Indicators for the 5<sup>th</sup> Round of Monitoring in previous years, in 2021, the ACN launched a pilot monitoring for five Eastern Partnership countries - Armenia, Azerbaijan, Georgia, Ukraine and Republic of Moldova<sup>2</sup>. In early 2021, the ACN Secretariat organized an information session and training for National Coordinators and monitoring experts to prepare for the pilot thoroughly. Considerable evaluation conducted in five pilot countries resulted in the adoption of four Pilot Monitoring Reports (*see key findings from Reports in the sub-chapter on "ACN Impact"*).

The pilot was a valuable exercise to test the new indicators-based methodology in terms of the substance, process and resources involved and revise it before rolling out the full 5<sup>th</sup> Round of Monitoring. The use of the indicators has proven a very effective way to conduct monitoring and is a big step forward. Due to new standardised indicators, the pilot Monitoring Reports present a comparable assessment of the pilot countries' anti-corruption performance and give a well-rounded picture of developments in the assessed performance areas.

The key lessons learned included streamlining and reduction in the scope of some Performance Areas and fine-tuning a scoring system through a shift toward a more granular assessment of performance. By applying the lessons from the pilot exercise, in 2022, the ACN will finalise the indicators, revise the scoring system and roll out the full 5<sup>th</sup> Round of Monitoring for all 10 IAP countries in 2022-2023.

## **IAP Monitoring Plenary and ACN Steering Group**

The 26<sup>th</sup> ACN Steering [Group Meeting](#) took place in October 2021, back-to-back with the 21<sup>st</sup> IAP Monitoring Plenary Meeting. At the virtual Monitoring Plenary Meeting, the Secretariat presented the pilot Monitoring Reports of Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The pilot Monitoring Reports of Armenia, and Ukraine were adopted, whereas the pilot Monitoring Reports of Moldova, Azerbaijan and Georgia were adopted later, following additional consultations with country officials.

During the Steering Group Meeting, the ACN Secretariat presented its Activity Report 2021, the Work Plan for 2022 and the Draft Methodology of the Matrix of High-Level Corruption Cases. The meeting also provided an opportunity for the OECD, international and donor organisations to present their updates relevant to the work of the ACN. Besides, with the IAP Chair - Ms Enery Quinones stepping down, the Secretariat proposed to the Steering Group to designate the next IAP Chair through a new participatory selection process. The selection will be initiated in 2022.

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<sup>2</sup> Moldova joined the IAP peer review programme in 2021.



*“EU for Integrity Programme will open up new opportunities for both the OECD and the countries the OECD has worked within the Anti-Corruption Network for Eastern Europe and Central Asia.”* **Angel Gurría, former OECD Secretary-General**

*“We have come a long way together in developing this new ground-breaking methodology, and we should be proud of what we have already achieved. Finalising this methodology will further improve the “gold standard” of monitoring that the ACN has been practising since 2003.”* **Enery Quinones, former Chair of the Istanbul Anti-Corruption Action Plan**

*“EU for Integrity Programme marks the beginning of important cooperation between the European Union, the OECD Anti-Corruption Network and the Open Government Partnership.”* **Olivér Várhelyi, Commissioner for Neighbourhood and Enlargement, EU**

*“We look forward to working together with the EU and OECD ACN to help our Eastern Partnership members accelerate and advance open government reforms that empower citizens, fight corruption and build more resilient, fair and inclusive societies in the region.”* **Sanjay Pradhan, Chief Executive Officer of the Open Government Partnership**



## **EU for Integrity Programme**

**“EU for Integrity Programme”** is a unique collaboration of the EU, OECD ACN and Open Government Partnership aimed to foster evidence-based anti-corruption policy development, to reinforce law enforcement action against high-level and complex corruption as well as strengthen integrity in education and business sectors. The programme was launched at the high-level event in 2021 with the participation of the EU Commissioner, OECD Secretary-General and OGP Chief Executive Officer. At the launch event, the high-level participants discussed how to advance reforms in the Eastern Partnership countries and highlighted the necessity of open reforms to achieve positive developments in these countries.

### **Key outputs of the OECD ACN component of the programme in 2021 were:**

Strengthening evidence-based anti-corruption policy development and implementation:



- Piloting a standardised assessment framework for peer review,
- Five IAP country-specific Monitoring Reports.

Reinforcing law enforcement action against high-level corruption:

- Development of the Matrix of high-level and complex corruption cases,
- Establishing the EaP-EU Working Group.

Strengthening integrity in specific corruption-prone sectors - education and business:

- An annual meeting of the Business Integrity Group. Survey on Business Integrity Trends in the region.

## Law Enforcement Network

Building on its primary purpose of developing capacities of anti-corruption law-enforcement practitioners in the region, the [Law Enforcement Network](#) (LEN) adapted its agenda to the new reality caused by COVID-19. Notably, in 2021, the ACN Secretariat organized a series of LEN webinars aimed at understanding the implications of the pandemic on anti-corruption law enforcement and responding to corruption in crisis. The webinars focused on emergency public procurement procedures related to COVID-19, the detection of corruption during the pandemic, and inter-agency cooperation in corruption cases linked to COVID-19. These peer learning events allowed LEN members to discuss law enforcement strategies and techniques, challenges, possible solutions and best practices in detecting, investigating and prosecuting corruption related to the health crisis and other emergencies. The events were conducted in the framework of the DAF/ACD project "Global Law Enforcement Response to Corruption in Crisis Situations", funded by the US Department of State.

Building on LEN's previous work, challenges of high-level corruption and ensuring the independence of anti-corruption bodies in the region were discussed at the Webinar on "[High-Level Corruption and Independence of Prosecutors](#)" held in February 2021. The event brought together high-level speakers and prominent experts who stressed the need to address these challenges and discusses what measures the international community and countries should implement to that end. As a follow-up to this event, the virtual 11<sup>th</sup> LEN meeting revisited the recent ACN Study findings on "[The Independence of Prosecutors in Eastern Europe, Central Asia and the Asia Pacific](#)".

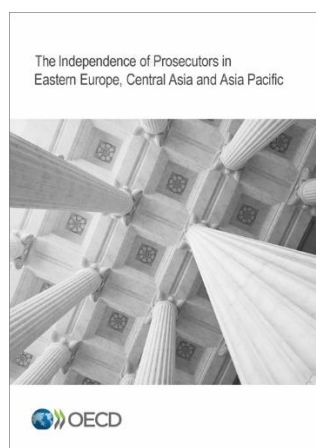
In addition, in 2021, the ACN Secretariat developed a draft Methodology of the Matrix on High-Level Corruption Cases. Drawing on the Working Group on Bribery's Matrix on Foreign Bribery Cases, the ACN Matrix will be a database of allegations, investigations, prosecutions and sanctions. The primary goal of the database is to facilitate enforcement actions in the region through encouraging transnational cooperation and serving as an evidentiary basis for the capacity development of law enforcement officials. After discussion at the LEN meeting and numerous bilateral consultations with ACN members, the ACN Steering Group adopted the Methodology of the Matrix in December 2021. The Methodology will be presented for endorsement by the ACN High-Level Meeting in 2022.

*"The 4th edition of the ACN flagship publication "Anti-Corruption Reforms in Eastern Europe and Central Asia: Progress and Challenges - 2016-2019" shows that countries in the region have now achieved good progress in upgrading their anti-corruption legislation and building anti-corruption institutions... The report also boldly identifies the next target – high-level corruption. The independence of prosecutors, especially those dealing with high-level corruption, is vital to ensure the rule of law and social justice but guaranteeing this independence is a continuing challenge." Jeffrey Schlagenhaut, Deputy Secretary-General, OECD*

*"We are touching upon two of the most sensitive issues – independence of prosecutors and the fight against high-level corruption. For many years, independence was used in relation to the judiciary, rarely with regard to prosecution. Recent years have pushed us to realize that we cannot even talk about efficient criminal*

*justice delivery without independent prosecution services.” Laura Stefan, Executive Director, Expert Forum (EFOR)*

*“It is important to have this Study because when we speak about combating corruption, it is not enough to consider only investigation and convictions. To reduce the phenomena of corruption, it is also important to prevent and educate people on anti-corruption. In this context, the OECD takes a public standing to draw attention to the seriousness of the role of the independence of the judiciary system.” Laura Kövesi, Head of European Public Prosecutor’s Office*



## Business Integrity

The ACN Secretariat has been contributing to raising awareness and promoting business integrity in the region since 2012. Its flagship cross-country study on "Business Integrity in Eastern Europe and Central Asia" (2016) has put policies, general trends and good practices of the region under the spotlight. It helped shape an understanding of challenges and facilitated dialogue between governments and participating businesses about anti-corruption measures. Expert seminars and meetings to disseminate the Study's findings and good practices have further enhanced the understanding of business sector integrity.

Building on its previous work, in 2021, the Secretariat continued focusing on increasing the business integrity awareness. It contributed to the pilot [Business Integrity Roundtable Series](#), hosted by the OECD in the frames of the [Global Anti-Corruption and Integrity Forum](#). This series of global, regional and thematic roundtables served as a forum to promote good practices and catalyse trust in business. The Secretariat participated in the discussion on corporate policies, incentives, and collective actions at the "Global Roundtable: Business Integrity Trends, Standards, and the Future of Compliance in a Post Covid-19 World". The ACN also contributed to the Webinar on "Incentives for Business Integrity", where drivers of corporate compliance and differences across regions and countries were discussed. Together with other participants, the ACN Secretariat also explored the role of non-judicial mechanisms in addressing corruption challenges and their advantages and disadvantages at the webinar on "Non-Judicial Mechanisms for Remediating Solicitation, Bribery and Corruption".

At the regional meeting on "[Business Integrity in Eastern Europe and Central Asia](#)" organized by the ACN, the Secretariat presented the preliminary findings of its second "Study on Business Integrity" and the "Study on Business Ombudsman institutions in the Region". The "Study on Business Integrity" aims to identify improvements and challenges in the region over the past five years. It will be finalised in 2022.

These events showed a mounting interest in continuing strategic discussions between governments and the private sector and further exploring policies and institutional mechanisms addressing corruption

risks in the business sector. Outreach activities also contributed to new initiatives at the ACN, including the second phase of a joint capacity-building project on business integrity between the ACN and EBRD.

*"We have done a lot of work in the past few years to raise awareness on BI in the region, and in doing so, we also developed an excellent partnership with EBRD, UNDP, COE and OSCE... All this work in the past few years shows a lot of appetite among the business sector in this region to engage more in this work on business integrity."* **Mathilde Mesnard, Deputy Director, OECD Directorate for Financial and Enterprise Affairs**

*"My hope is that the roundtable today will create a platform for open dialogue about the challenges we faced and how we can all work together to solve these problems by sharing our experience about what works, what could be improved, and potentially how COVID has impacted it all."* **Lisa Rosen, Chief Compliance Officer, EBRD**

*"In recent years, a growing number of Business Ombudsman institutions have emerged in Eastern Europe and Central Asia. Driven by a strong demand from the private sector, these institutions are designed to supplement judicial and institutional responses to widespread corruption."* **A blog by Olga Savran, ACN Manager, OECD and Elisabeth Danon, Anti-Corruption Analyst, Anti-Corruption Division, OECD**

## OECD BUSINESS INTEGRITY ROUNDTABLE SERIES

The pilot OECD Business Integrity Roundtable Series (BIR) was held from 24 March - 12 May 2021, bringing together **over 1,900 participants in 7 virtual events**. The Series included a two-part global roundtable, 3 regional roundtables and 2 thematic roundtables and acted as a forum to promote good practices and catalyse trust in business. Topics covered include business integrity trends, incentives, challenges and innovative approaches to implementation.

[For more information and to replay sessions please click here.](#)

**2021 OECD GLOBAL ANTI-CORRUPTION & INTEGRITY FORUM**  
BETTER POLICIES FOR BETTER LIVES

**OECD BUSINESS INTEGRITY ROUNDTABLE PART ONE: BUSINESS INTEGRITY TRENDS AND STANDARDS**  
24 March 2021  
11:30-13:00 CET (GMT+1)

**REGISTER NOW**  
<https://oecd-events.org/gacif2021>  
#OECDIntegrity #OECDIBC

**2021 OECD GLOBAL ANTI-CORRUPTION & INTEGRITY FORUM**  
BETTER POLICIES FOR BETTER LIVES

*"Corruption and misconduct create environments of mistrust, and have material impacts on economies, wellbeing... we need co-operation across the public and private sectors, and to promote the role of international organisations in the fight against corruption."*

**Mathilde Mesnard**  
OECD Deputy Director for Financial and Enterprise Affairs

**2021 OECD GLOBAL ANTI-CORRUPTION & INTEGRITY FORUM**  
BETTER POLICIES FOR BETTER LIVES

**OECD BUSINESS INTEGRITY ROUNDTABLE PART TWO: CATALYSING COMPLIANCE IN THE POST COVID-19 WORLD**  
24 March 2021  
13:15-14:45 CET (GMT+1)

**REGISTER NOW**  
<https://oecd-events.org/gacif2021>  
#OECDIntegrity #OECDIBC

# Country Projects

## Supporting Energy Sector Reform in Ukraine

Financed by the Government of Norway, the OECD project [“Supporting Energy Sector Reform in Ukraine”](#) focuses on competition, investment, corporate governance of state-owned enterprises (SOEs), and anti-corruption aspects of the energy sector of Ukraine. The ACN is responsible for the anti-corruption component of the project.

Following a comprehensive monitoring process engaging more than 25 public agencies, the ACN Secretariat finalised the Anti-Corruption Review of the Energy Sector in Ukraine. In addition to an in-depth analysis of an overall policy framework, investigation and criminalization of corruption in the energy sector, the Report thoroughly studies corruption-related risks and issues in nine sub-areas of the sector. The report shows that the energy sector remains one of the most vulnerable areas to corruption in Ukraine. Recommendations on addressing key challenges, including abuse of monopoly status and public procurement, embezzlement schemes, lack of transparency and undue influences, will allow energy sector-related stakeholders to make informed decisions to eliminate corruption in the sector.

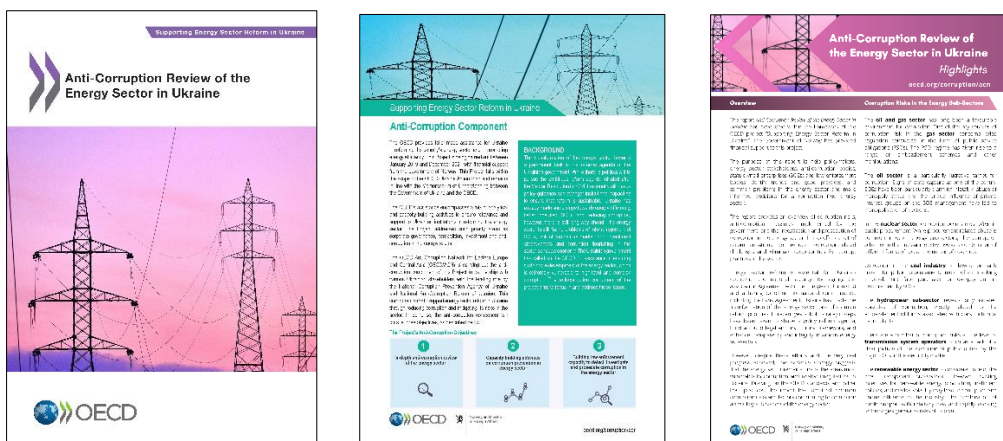
The ACN Secretariat also developed a Report on Typologies of Corruption Crimes in the Energy Sector to further support the investigation and prosecution of corruption offences. The publication groups corruption schemes in the energy sector into typologies, allowing for more effective detection and investigation of such crimes. The report overviews law enforcement challenges and provides practical guidelines and policy recommendations to the Ukrainian practitioners and policymakers. The Report is forthcoming.

In 2021, the ACN Secretariat also conducted a two training events for state-owned enterprises (SOEs) and public ownership entities. With the participation of Ukraine’s high-level officials, the first event was dedicated to the high-level discussion on the role of commitment and experience-sharing in building an integrity culture in the energy sector. The second event engaged the representatives of the SOEs responsible for performing anti-corruption, integrity or other related functions in SOEs in Ukraine. It provided a hands-on experience in conducting an effective internal investigation and ensuring better communication with the government ownership agencies.

*“Norway is delighted to be OECD’s partner in this project, and I truly believe that the strong partnership of Ukraine, Norway and OECD has the potential to secure reforms that would benefit generations to come.”*  
**Aleksandra Wacko, Counsellor and Deputy Head of Mission, Royal Norwegian Embassy in Kyiv**

*“The findings of the Review presented today are extremely crucial for both the NACP and the Government of Ukraine. I am confident that this overview will become a reliable source of information that provides a comprehensive assessment of all issues related to corruption in the energy sector.”*  
**Oleksandr Novikov, Head, National Agency of Corruption Prevention of Ukraine**

*“Great impressions. Back at the end of 2018, at the meeting convened by the National Agency of Corruption Prevention, I proposed conducting specialized training for compliance officers of the SOEs. I am happy to see this “carriage” being moved forward.”*  
**Participant of the training for SOE compliance officers in the anonymized evaluation form**



## Support to Ukraine in the Area of Anti-Corruption: Professional Development of NABU and SAPO Practitioners

In 2019, as a part of a long-standing partnership between the OECD and the US Embassy in Ukraine, a country-specific project, *"Support to Ukraine in the area of anti-corruption: professional development of NABU (National Anti-Corruption Bureau of Ukraine) and SAPO (Specialised Anti-Corruption Prosecutor's Office) practitioners"* was initiated. The project is funded by the Bureau of International Narcotics and Law Enforcement Affairs (INL) US Department of State. It aims to strengthen the capacities of anti-corruption authorities to detect, investigate and prosecute high-profile corruption and related money laundering.

In 2021, within the frame of this project, 25 detectives, prosecutors and FIU (Financial Intelligence Unit) officers were trained through an advanced three-week training course focused on the sources of detection, investigative strategies and techniques applied at the early stages of the investigation of complex corruption and related money laundering. Topics covered by the training program ranged from electronic evidence and cryptocurrencies, seizure and confiscation to interagency cooperation in complex corruption cases. A moot court exercise in the form of a simulated trial with the involvement of the High Anti-Corruption Court judges has further ensured the practical implementation of acquired skills and knowledge.

This training course will serve as the basis for elaborating a training manual and practical guidelines for law enforcement officials in Ukraine. The training also tested the perspectives of successful prosecution of stand-alone money laundering (independently of the predicate public sector corruption offence) according to the new version of the money laundering offence enacted in Ukraine in 2019. The training was organized in cooperation with NABU, FIU, US INL Office and the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) experts in Kyiv.

## Support to the Fight Against Corruption in Uzbekistan

Funded by the US Department of State's Bureau of International Narcotics and Law Enforcement Affairs (US INL), the ACN Project ["Support to the Fight against Corruption in Uzbekistan"](#) aims to assist the country in strengthening its legal and institutional capacity to investigate and prosecute complex corruption cases efficiently. Besides, the project will strengthen anti-corruption policy coordination and monitoring capacities, support the development of selected anti-corruption legislation and raise awareness of international anti-corruption standards and ACN IAP recommendations.

Regarding the law-enforcement component of the project, to build the capacities of Uzbekistan's law enforcement practitioners, the ACN Secretariat developed a comprehensive training programme. While focusing on criminalization, investigation, corruption detection, and financial investigation, the training curriculum combines theoretical aspects with practice-oriented, real-life examples suitable for law



enforcement practitioners. Building on the first training session conducted in the previous year, in 2021, the ACN Secretariat organized training for Uzbek investigators and prosecutors. The training included a distance-learning part followed by a five-day in-person training session. The training improved participants' knowledge and capacities in investigative strategies and techniques, asset tracing and seizure, virtual assets, asset recovery and confiscation in corruption offences. In 2021, the project team continued to contribute to the institutional development of the Anti-Corruption Agency. Particularly, recommendations were provided on key strategic and legislative documents, among them the new Anti-Corruption Strategy, the draft Law on Anti-Corruption Agency, the draft Law on Asset Declaration and Conflict of Interest, and the draft resolution of the President related to anti-corruption measures. Besides, the project team provided feedback for drafting a methodology for corruption assessments and advised on the concept note on the e-platform for reporting corruption.

## ACN Impact and Key Anti-Corruption Highlights in the Region

The ACN impacts the anti-corruption developments in member countries through the Istanbul Anti-Corruption Action Plan Monitoring Programme and through its capacity-building and peer-learning activities to disseminate the international standards and best practices in the region.

### ACN Impact via Pilot 5<sup>th</sup> Monitoring Round

Aligned with international standards and best practices, the **new robust Performance Indicators** provide the ACN member countries with a clearer vision and route to effective and continuous improvements of their national anti-corruption systems. Within the pilot Monitoring Round, the Secretariat streamlined the monitoring process and significantly improved the consistency, structure and comparability of information on crucial anti-corruption trends, achievements, and challenges in five pilot countries.

***The key findings of the pilot Monitoring Reports are presented below:***

***“OECD ACN calls on Ukraine to focus on the fight against high-level corruption during post-war reconstruction”*** - The report stresses an important breakthrough in the anti-corruption efforts of Ukraine in recent years, *inter alia* by setting up a comprehensive institutional and legal framework. However, high-level corruption remains a key challenge and poses a risk for the post-war reconstruction of Ukraine. To efficiently address high-level corruption in future, Ukraine must ensure the independent operation of specialized institutions without undue interferences and obstructions to their work, move ahead with the reform of the judicial governance, guarantee transparent, merit-based selection and appointment of heads of key anti-corruption bodies, ensure efficient verification of assets and interest declarations, and adopt the Anti-Corruption Strategy.

***“OECD ACN encourages Armenia to pursue active anti-corruption reforms”*** – The report commends Armenia's bold steps in adopting an Anti-Corruption Strategy, engaging civil society in policy planning, and significantly strengthening its anti-corruption institutional infrastructure. Further improvements are encouraged by revising the whistleblowing protection system, improving public procurement, promoting business integrity, continuing reforms of the judiciary and Prosecutor General's Office, effective enforcement of corporate liability for corruption, and enhancing the data collection methods.

***“OECD ACN urges Azerbaijan to strengthen its fight against corruption and conflict of interest”*** - The report welcomes the efforts to ensure inclusive elaboration and monitoring of the implementation of the anti-corruption policy documents, increased publicity around high-level corruption investigations, and a newly-established specialized department at the Office of the Prosecutor General to support and coordinate asset recovery activities in Azerbaijan. The report also highlights the need to develop a

legal and institutional system for prevention of conflict of interest, further strengthen whistleblower protection, ensure the merit-based and transparent promotion of judges and prosecutors, to apply dissuasive sanctions and confiscation measures in corruption cases in order to ensure effective deterrence.

**“OECD ACN urges Moldova to step up implementation of its anti-corruption policy”** - The report notes **Moldova’s** success in developing an evidence-based Anti-Corruption Strategy, adopting important legislative provisions, and establishing dedicated bodies responsible for the enforcement of these provisions. Improvements are needed in equipping anti-corruption agencies with sufficient resources, analysing and addressing high-level corruption, increasing independence of the judiciary and Prosecutor’s Office, implementing policies to promote integrity in the private sector and state-owned enterprises and enhancing data collection practices.

**“OECD ACN calls on Georgia to strengthen state institutions responsible for the implementation of anti-corruption policy and for prosecuting and sanctioning corruption”**- The report commends the introduction of verification of declarations of public officials by the Civil Service Bureau, the launch of an online platform for whistle-blowers, an electronic public procurement system and a newly-started corporate governance reform. The actions for further improvement include rebuilding a strong Secretariat of the Anti-Corruption Council and ensuring the implementation of anti-corruption policy documents, enhancing the voting procedures of the High Council of Judges and strengthening its role in appointing Supreme Court judges. Besides, the report highlights the importance of ensuring transparent and merit-based appointments and removals of heads of specialized bodies for investigation of corruption offences and the Prosecutor General. The report also recommends strengthening the enforcement of corruption offices, including high-level corruption cases and corporate liability.

## ACN Impact via Peer Learning and Capacity Building - Successful Cases

### ***Business Integrity Group***

In 2021, the ACN Business Integrity Group’s work demonstrated the **changing dynamics of the private sector and civil society engagement** in increasing business integrity in the region. A range of initiatives driven by non-governmental actors presented at the regional meeting on "Business Integrity in Eastern Europe and Central Asia" aim to inspire the member countries and contribute to global action to business integrity. These initiatives include establishing training institutions like the Integrity Academy in Lithuania and developing an integrity certification program like the Ukrainian Network of Integrity and Compliance. In some countries, collective actions have broadened their scope from anti-corruption to other specific issues, such as environmental protection, e.g. the Clear Wave in Latvia. Governments in several ACN countries also took measures to promote business integrity. For instance, e.g. the Ukrainian Agency for Corruption Prevention has updated its requirements for compliance programmes for state-owned enterprises and companies participating in public procurement. Thus, the ACN will build on the increased interest in the region and continue raising awareness and bringing capacities to prevent and address corruption in the private sector to a higher level.

### ***Country Project - “Supporting Energy Sector Reform in Ukraine”***

During the project “Supporting Energy Sector Reform in Ukraine” implementation, the ACN Secretariat identified that one of the challenges to effective anti-corruption performance in the energy sector was a lack of specialized capacity-building opportunities for SOE compliance officers. Notably, the need for specialized training was exposed at the project scoping stage and in the Anti-Corruption Review of the Energy Sector of Ukraine. With these considerations in mind, in 2021, the ACN conducted an online training session for the representatives of the SOEs responsible for performing anti-corruption, integrity and other related functions in SOEs in Ukraine.



As a result, this successful virtual event didn't only help more than 100 participants to increase knowledge on conducting an effective internal investigation, but it also secured broader and strategic changes in the area of professional development of SOEs compliance officers. Notably, following the training, a few energy companies approached the OECD, suggesting that such activity be replicated for their employees. Several state institutions responsible for exercising ownership functions in the energy sector SOEs, including the National Energy and Utilities Regulatory Commission (NEURC), have also expressed interest in developing similar training programs for their public officials. The ACN will plan and implement these joint integrity initiatives to increase the capacities of SOE compliance officers in the next phase of the project.

### ***Law Enforcement Network (LEN)***

The LEN's peer learning activities of 2021 related to COVID-19 and other crises allowed the ACN Secretariat to better understand the implications of these emergencies on anti-corruption efforts and to compile best practices, challenges and experiences in law enforcement areas across the ACN and some OECD countries. These awareness-raising activities created a good foundation for developing knowledge products for the global law enforcement community to be published in 2022. These products will make investigators and prosecutors better prepared to react efficiently to corruption in emergencies. Besides, the newly adopted Methodology of the Matrix of High-Level Corruption cases has reinforced the ACN law enforcement work stream by adding a solid tool for evidence-based analysis. It will help to develop the capacities of law enforcement practitioners for a more robust response to the problem of high-level corruption in the region.

## **Anti-Corruption Highlights in ACN Countries**

Amid the difficulties caused by emergency health crises worldwide and increased pressure on government institutions, the ACN countries continued enhancing their strategic, legislative and institutional anti-corruption frameworks in 2021. The key highlights illustrated below ranged from strengthening specialized anti-corruption bodies (Armenia), ensuring effective enforcement of corruption offences (Ukraine, Montenegro), enhancing strategic policy documents (Romania), improving a legislative framework (Croatia) and raising awareness of ethics and integrity standards (Serbia). The ACN is proud to have contributed to some of the anti-corruption developments through its IAP Peer Monitoring Programme and awareness-raising activities conducted with the participation of ACN countries.

### ***Armenia***

Armenia made commendable steps to strengthen its institutional infrastructure by creating an Anti-Corruption Court and a specialized pre-trial investigative body. In 2021, the new Criminal Code of Armenia introduced corporate liability.

### ***Azerbaijan***

Azerbaijan made considerable efforts to ensure inclusive development and monitoring of anti-corruption policy documents' implementation, enhanced publicity of high-level corruption investigations, and started developing specialized functions of asset recovery coordination and support.

### ***Bosnia and Herzegovina***

The Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina issued 17 opinions on laws and bylaws to ensure and improve a legal framework for preventing and assessing corruption risks. The Agency also developed a prevention tool for anti-corruption assessment of legislation.

### ***Croatia***

Croatia adopted the new Anti-Corruption Strategy for 2021-2030, and the Action Plan for 2022–2024 was under development. The new Act on the Prevention of Conflicts of Interest strengthens the Commission's work for resolution of conflicts of interest and introduces new measures to declare a conflict of interest. Several important legislative acts, including the new Act on the Protection of Persons Reporting Irregularities and the Lobbying Act, are soon to be adopted.

### ***Kyrgyzstan***

Kyrgyzstan adopted a range of new legislative acts, including the Criminal Code, the Criminal Procedure Code, and the Code of Offenses against Administrative Order. Along with the new Law on Prosecutor's Office, the government made efforts to reform law-enforcement institutions. The OECD ACN will assess these developments within the IAP 5<sup>th</sup> Monitoring Round.

### ***Moldova***

Moldova adopted legislative provisions on public disclosure of beneficial ownership information and publication of information on disciplinary action against prosecutors. Another positive development is a significant increase of the Criminal Asset Recovery Agency (CARA) staff.

### ***Montenegro***

The Agency for Prevention of Corruption of Montenegro initiated 345 administrative proceedings against public officials (71.6% more than in 2020) and 1,164 misdemeanor proceedings in 2021 (twice as many as in 2020). In 2021, the Government of Montenegro also adopted the Guidelines for Strengthening the Ethics and Integrity of High-Ranking Executive Officials.

### ***Romania***

Romania adopted a new National Anti-Corruption Strategy 2021-2025. Building on the previous strategic priorities, the new Strategy keeps the focus on sectors exposed to corruption and further extends to preventive measures to protect the environment and cultural heritage. Adoption of the National Strategy for the Recovery of Proceeds of Crime 2021-2025 and the National Strategy against Organized Crime 2021-2024 also strengthens the national anti-corruption strategic framework.

### ***Serbia***

In 2021, 50 035 Serbian public servants attended the mandatory training on ethics and integrity with a successful completion rate of 78.6%. The Agency for Prevention of Corruption of Serbia submitted to the National Assembly its first report on implementing the sub-chapter on the fight against corruption of the Revised Action Plan for Chapter 23. The Law on Prevention of Corruption was amended in 2021.

### ***Ukraine***

The High Anti-Corruption Court (HACC) of Ukraine, widely seen as a successful model and an example of high professionalism and independence, continued the effective enforcement of high-level corruption offences in 2021. Already comprehensive framework for whistle-blower protection was further strengthened in Ukraine, and a Unified Portal of Whistleblower Reports was under development.

## Looking Ahead

Over the past year, the ACN made good progress in implementing its Work Programme 2020-2024. With the primary goal to support ACN countries in the implementation of anti-corruption reforms and enforcing anti-corruption legislation, in 2021, the Secretariat worked across its key five strategic objectives:

1. Strengthening country peer review programme.
2. Developing the evidentiary basis for regional policy dialogue.
3. Focusing on regional peer learning.
4. Supporting country-specific peer learning.
5. Taking stock of anti-corruption reforms in the region.

Acknowledging that fight against corruption requires a systemic and long-term approach, in 2022, the Secretariat will continue working closely with member governments and international and civil society organisations. Its specific objectives for 2022 include:

- Finalization of the Performance Indicators;
- Launch the 5<sup>th</sup> Round of Monitoring for IAP countries (except for Ukraine);
- Development of the Anti-Corruption Key Performance Indicators (KPIs) for all ACN members;
- Developing an Anti-Corruption Programme to support the reconstruction of Ukraine;
- Application of the Matrix of High-Level Corruption Cases;
- Development of a cross-country Study on High-level Corruption in the region;
- Raising awareness of business integrity *inter alia* through the second Business Integrity Group meeting;
- Development of a regional cross-country Study on Business Integrity;
- Conducting Law Enforcement Network meetings;
- Organizing the High Level and ACN Plenary meetings;
- Selecting the new IAP chair.

## The ACN Team



The ACN Secretariat includes Olga Savran (ACN Manager), Rusudan Mikhelidze (Head of the Monitoring Programme, EU for Integrity Project Manager), Tanya Khavanska (Head of the Business Integrity Programme), Andrii Kukharuk (Head of the Law Enforcement Network Programme), Jolita Vasiliauskaite (Analyst, Manager of the Project on Corruption in Education), Dmytro Kotliar (Consultant), Erekle Urushadze (Analyst), Natalia Baratashvili (Junior Analyst), Noel Merillet (Junior Analyst), Oleksandra Onysko (Junior Analyst), Dinara Afaunova (Junior Analyst), Arianna Ingle (Communications Officer), Tamara Schelkunova (Project Assistant), Paloma Cupello (Project Assistant), Julie Arnal (Project Assistant), Gabriele Verbickaite (Project Assistant).

### Key publications from previous years

Anti-Corruption Reforms in Eastern Europe and Central Asia, 2021 [EN](#) | [RU](#).

Independence of Prosecutors in Eastern Europe, Central Asia and the Asia Pacific, 2020 [EN](#)

Corruption Prevention at Local Level in Eastern Europe and Central Asia, 2021 [EN](#)

Business Integrity in Eastern Europe, 2016 [EN](#) | [RU](#).

Confiscation of instrumentalities and proceeds of corruption crimes in Eastern Europe and Central Asia, 2018 [EN](#) | [RU](#)

International Co-operation in Corruption Cases in Eastern Europe and Central Asia, 2016 [EN](#) | [RU](#)

Foreign Bribery Offence and its Enforcement in Eastern Europe and Central Asia, 2016 [EN](#) | [RU](#) | [RO](#)

Liability of Legal Persons for Corruption in Eastern Europe and Central Asia, 2015 [EN](#) | [RU](#)

Mutual Legal Assistance and Other Forms of Cooperation between Law Enforcement Agencies, 2014 [EN](#) | [RU](#)

### Selected Resources

[Anti-Corruption Network for Eastern Europe and Central Asia, OECD](#)

[Working Group on Bribery in International Business Transactions, OECD](#)

[Istanbul Anti-Corruption Action Plan and Country Monitoring Reports](#)

[Law Enforcement Network in Eastern Europe and Central Asia](#)

[EU for Integrity Programme for the Eastern Partnership](#)

[Special Anti-Corruption Projects for Ukraine, OECD](#)

[Uzbekistan Anti-Corruption Project, OECD](#)

The Secretariat prepared this report based on information submitted by the ACN National Coordinators and data collected by the Secretariat. For more information, please contact Mrs Olga Savran, ACN Manager at [olga.savran@oecd.org](mailto:olga.savran@oecd.org).

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