

Business Integrity in Eastern Europe and Central Asia

2022



Please cite as: OECD (2022), *Business Integrity in Eastern Europe and Central Asia, 2022*. OECD Business and Finance Policy Papers, <https://doi.org/10.1787/1ed3fe17-en>.

© OECD 2022

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Member countries of the OECD, the Member countries of the OECD Anti-Corruption Network for Eastern Europe and Central Asia, or the Parties to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

This document and any map included herein are without prejudice to the status or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city, or area.

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the OECD and do not necessarily reflect the views of the European Union.

Cover: © iStock / Getty Images Plus, rikkyal

Foreword

This regional study on business integrity in Eastern Europe and Central Asia analyses measures that governments, companies and business associations are taking to prevent corruption in business transactions. The 2022 edition compares recent trends with those identified in the first study released in 2016, to identify areas of progress or regress, and shares updated best practices and policy recommendations for further promoting business integrity in the region.

The study focuses on the participating countries of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) and features examples from OECD member countries and international best practices. The findings are based on the results of a 2021 survey conducted among governments, business associations and companies using online questionnaires. Preliminary findings from the survey were presented at the meeting of the ACN Business Integrity Group in May 2021. The study is further complemented by the findings in the pilot anti-corruption monitoring reports completed in May 2022 and thematic cross-country studies on law enforcement and criminalisation of corruption. The study also describes case studies and examples of good practices identified by the ACN Secretariat during consultations with business integrity practitioners in the region.

The study serves as a reference point for promoting business integrity in Eastern Europe and Central Asia. It can also be useful for other regions where governments, the private sector and development partners seek ways to create conditions for companies to operate without corruption.

The study was prepared under the general supervision of Olga Savran, Manager of the ACN Secretariat. Liudas Jurkonis, from Vilnius University, Institute of International Relations and Political Science, took the lead in conducting the survey, analysing the results and drafting the study. Tanya Khavanska, Erekle Urushadze, Olekandra Onysko, Arianna Ingle and Gabriele Verbickaite of the ACN Secretariat contributed to the development of the recommendations, editing and finalising the study for publication.

The study benefited from valuable comments and inputs by Chiawen Kiew from the European Bank for Reconstruction and Development (EBRD), Ekaterina Lysova (CIPE), Ardita Seknaj (ICC Albania), Ieva Lapeikiene (Clear Wave Lithuania), Antonina Prudko and Larysa Zhygun (Ukrainian Network for Integrity and Compliance, UNIC, Ukraine), and Tayfun Zaman (Integrity Partners Consultancy Group, Türkiye).

Table of contents

Foreword	3
Acronyms	6
Executive summary	7
1 Introduction	9
1.1. Objectives, methodology, structure	9
1.2. Participants of the survey	10
1.3. Baseline from 2016 survey	11
2 Analysis of business integrity risks in the region	14
2.1. General business integrity climate	14
2.2. Key business integrity risks	15
3 Measures taken by governments to promote business integrity	20
3.1. Focus of government measures to promote business integrity	20
3.2. Enforcement of anti-bribery and conflict of interest rules	23
3.3. Reporting mechanisms and channels	24
3.4. Government incentives for integrity measures in the private sector	26
3.5. Transparency of ownership	31
3.6. Auditing requirements	32
3.7. Public procurement	33
3.8. Private sector's views on and awareness of government actions to promote business integrity	37
4 Measures taken by companies and business associations in the field of business integrity	38
4.1. What motivates companies to implement anti-corruption measures?	38
4.2. Company-level measures to prevent and detect corruption	40
4.3. Internal enforcement, external reporting and legal action	43
4.4. Actions by business Associations	46
5 Impact of COVID-19 pandemic on business integrity and responsible business conduct across the region	49
6 Conclusions and recommendations	51
6.1. Risk assessment and policy development	52

6.2. Demand-side measures	53
6.3. Improving access to information	53
6.4. Incentivising integrity in private sector	53
6.5. Company-level safeguards	54
6.6. Spreading the knowledge	54
References	56

FIGURES

Figure 1.1. UNIC Compliance Night, October 2021	13
Figure 2.1. Overview of respondents' views on corruption and business integrity climate improvement	14
Figure 2.2. Entities presenting highest integrity risk	16
Figure 2.3. Most important forms of business integrity risks	17
Figure 2.4. Impact of bribery and corruption to companies	19
Figure 3.1. Dynamics in business integrity environment, 2016-21	20
Figure 3.2. Governmental assistance to companies in promotion of business integrity culture	22
Figure 3.3. Measures taken by governments to encourage companies improve self-regulation and compliance programmes	27
Figure 3.4. Development of business integrity measures in public procurement processes	34
Figure 3.5. Awareness of measures taken by governments to promote business integrity in private sector	37
Figure 4.1. Key reasons to adopt code of ethics and/ or conflict of interest rules	38
Figure 4.2. Key reasons NOT to have conflict of interest rules adopted	39
Figure 4.3. Organisational bodies / structures responsible for compliance in companies	41
Figure 4.4. Availability of code of ethics, compliance programmes, conflict of interests rules and compliance trainings	41
Figure 4.5. Structure and elements of compliance programmes	42
Figure 4.6. Key factors for not having compliance programme audited by external parties	42
Figure 4.7. Incentives for compliance	43
Figure 4.8. Actual use of legal actions and reporting tools available	44
Figure 4.9. Effectiveness of compliance measures established	44
Figure 4.10. Business Integrity Club in Armenia	47
Figure 4.11. UNIC Business Academy Opening	48
Figure 5.1. Impact of the pandemic on business integrity risks	49
Figure 5.2. Impact of the pandemic on business integrity risks 2	50
Figure 6.1. BI/AC needs expressed by governments, business associations and companies	52

TABLE

Table 1.1. Sample of the regional survey	11
--	----

Acronyms

ACI	Anti-corruption and integrity
ACN	OECD Anti-Corruption Network for Eastern Europe and Central Asia
ADB	Asian Development Bank
APO	Anti-Corruption Prosecutor's Office (Moldova)
B2B	"Business-to-business"
BI	Business integrity
BIG	ACN Business Integrity Group
BIM	Business Integrity Month
BO	Business Ombudsman
CEO	Chief Executive Officer
CGC	Corporate Governance Center
CIPE	Center for International Private Enterprise
COI	Conflict of interest
DoJ	Department of Justice (the United States)
EBRD	European Bank for Reconstruction and Development
EU	European Union
GACIF	OECD Global Anti-Corruption and Integrity Forum
HR	Human Resources
IAP	Istanbul Anti-corruption Action Plan
ICC	International Chamber of Commerce
IFRS	International Financial Reporting Standards
NABU	National Anti-Corruption Bureau of Ukraine
NGO	Non-governmental organisation
NSS	National Security Service (Armenia)
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Co-operation in Europe
PI	Performance indicator
SAPO	Specialised Anti-Corruption Prosecutor's Office (Ukraine)
SFO	Serious Fraud Office (the United Kingdom)
SOE	State-owned enterprise
SME	Small- and medium-sized enterprises
STT	Special Investigation Service of the Republic of Lithuania
UNDP	United Nations Development Programme
UNGASS	UN General Assembly Special Session Against Corruption
UNIC	Ukrainian Network of Integrity and Compliance
WBP	Whistle-blower protection
WGB	OECD Working Group on Bribery in International Business Transactions

Executive summary

The results of the survey conducted for the 2022 study on business integrity in Eastern Europe and Central Asia indicate that key stakeholders – governments, companies and business associations – recognise the importance of business integrity and the need to promote it, in order to foster competitiveness of industries and companies and thus contribute to economic growth. In comparison to the previous survey conducted in 2016, there is a stronger awareness and attention to the subject among the governments and the private sectors in the region.

While this growing recognition of the significance of business integrity has contributed to a number of positive trends in practice (including greater attention to high-level corruption in anti-corruption strategies and improvements in legislation on whistleblower protection and corporate liability), progress has been limited overall. The most serious problems highlighted in the first survey are yet to be effectively addressed across the region.

Governments

The fact that governments have not conducted appropriate corruption risk assessments is a major factor behind their lack of comprehensive understanding of the challenges which private sector entities face in terms of integrity. Government efforts to promote business integrity remain focused largely on the public domain, with little attention devoted to private-to-private corruption risks. On the institutional level, most countries are yet to designate bodies responsible for promoting business integrity and there is a notable lack of expertise in this field.

Interaction with politicians remains a key source of integrity risks, according to companies. However, governments have not, so far, responded effectively to this concern, as the enforcement of relevant laws (such as anti-bribery and conflict of interest provisions) remains weak. It is commendable that governments have invested resources in the development of whistleblower protection laws and reporting channels, however, the use of these tools remains limited and points to a lack of awareness of their existence and/or of trust in them.

Some countries in the region require certain types of companies to adopt compliance programmes and conduct external audits, while banning those convicted for corruption from bidding for public contracts. Nonetheless, there is a general lack of appropriate monitoring and enforcement in these areas. Certain countries (notably, Ukraine) have made significant progress in collecting and publishing comprehensive data on companies (including beneficial ownership information), but access to such data remains limited in most countries in the region, therefore companies find it difficult to conduct proper due diligence checks of third parties.

Lack of serious commitment to ensuring integrity in the operations of state-owned enterprises (SOEs) is notable across the region. In their answers, most governments identified the issue as a priority objective of their anti-corruption efforts. However, efforts on this objective have not been taken, therefore, SOEs continue to lack appropriate anti-corruption safeguards.

Overall, governments appear to struggle in coming up with integrity incentives for companies and tend to prioritise punitive action, despite its ineffectiveness due to a weak enforcement of anti-bribery laws.

Companies and Business Associations

A majority of the companies that took part in the survey have established audit committees and/or appointed compliance officers. They have also adopted a code of ethics and conflict of interest rules for their board members, management and employees, and have created reporting channels. Most companies also provide whistleblower protection to their employees and extend their integrity programmes and codes to their business partners.

It should be noted, however, that the number of survey participants was rather small, so it is doubtful whether the results can be extrapolated to the entire private sectors of the relevant countries, especially the SMEs. Moreover, even in the participating companies, existing integrity safeguards are underutilised in practice. The reporting mechanisms are used rarely at best. A majority of companies have never carried out investigations, applied sanctions against employees involved in integrity breaches, or taken legal actions against other companies for integrity breaches. It is also uncommon for companies to report such cases to the relevant authorities. Ultimately, there is limited confidence among the companies in the effectiveness of their own integrity measures.

On the positive side, companies appear to be very adaptive to the external pressures and are keen to optimise business integrity (BI) related investment to the level required by states or other stakeholders. Given weak enforcement of anti-corruption legislation, signals from markets (especially international markets) are currently the primary factor motivating companies to develop compliance measures. Consequently, companies with greater exposure to international markets are devoting growing attention to integrity. At the same time, the lack of appropriate financial and human resources is among the reasons why some companies opt not to have relevant internal regulations.

Business associations have stepped up their activities in terms of the promotion of integrity in recent years, engaging in awareness raising campaigns and supporting collective actions that would bring companies, NGOs and governments together. Some associations have conducted exploratory work on certification, although interest in certification appears to be low among companies overall.

Going forward

Development of stronger safeguards against private sector corruption in the region will require extensive efforts by both governments and non-governmental stakeholders. Governments need to conduct comprehensive assessment of corruption risks (including business integrity risks), develop appropriate measures against high-level corruption, ensure effective enforcement of their existing anti-corruption laws to deter and sanction corruption involving the private sector, while also coming up with positive incentives designed to prompt companies to promote integrity internally. Ensuring comprehensive and unhindered access to information is another way for governments to fully tap the private sector's potential in the fight against corruption.

Companies must further invest in compliance programmes and ensure that integrity mechanisms fully develop and become a habitual part of a company's mission.

Business Associations have a vital role in terms of sharing successful practices within the private sector and bridging the gap between governments and companies, while also assisting SMEs which often lack the incentives and the resources to engage in ambitious anti-corruption endeavours.

1 Introduction

1.1. Objectives, methodology, structure

1.1.1. Objectives

The regional study on business integrity (BI) in Eastern Europe and Central Asia aims to analyse the measures that governments, companies and business associations implement in order to prevent corruption in business transactions. It also seeks to compare current trends with the findings of the first study prepared in 2016, identify the areas where the situation has improved or deteriorated, highlight new good practices and develop updated policy recommendations for further promotion of business integrity in the region.

A key focus of this study is on the measures that directly or indirectly prevent companies from engaging in private-to-public and private-to-private corruption such as bribery, facilitation payments, and unethical provision and acceptance of gifts or other favours. Further focus is on the policies and measures that prevent the risk of breaches of trust within companies which may not necessarily involve direct exchange of inappropriate advantages (such as bribes) with third persons: for example, favouritism in contracts and unresolved conflicts of interest.

Good practices and policy recommendations for further promotion of business integrity in the ACN region should aid both governments and private sector organisations in further developing the public-private dialogue and developing mutual commitments and practical BI measures. These recommendations will also serve as a baseline for the future monitoring of BI trends in the region.

1.1.2. Methodology

The study focuses primarily on the 24¹ ACN countries and selected examples from other OECD countries.

In order to make it possible to compare the results of the two thematic studies, the analysis focuses on three types of actors: the states (laws and policies of national governments), business associations and other CSOs that promote business integrity, and companies. Upholding business integrity is essential for both the public interest (for example, the citizens' interest in the mitigation of supply of bribes from the business sector) and private interests (for example, those of shareholders who want more value for their investment and employees who want safe and predictable employment). Sustainable containment of corruption is more likely when different actors co-operate and complement each other's efforts against abuse. Therefore, the study aims to map the diversity of efforts by a variety of actors to introduce and maintain high standards of integrity.

The 2016 edition of the study "Business Integrity in Eastern Europe and Central Asia" was based on the data collected through online questionnaires and expert seminars. In order to ensure the consistency of

¹ 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.

research and make it possible to compare the results, the 2022 edition of this study was based on the same questionnaires.² However, they were supplemented with new questions designed to capture the main developments in the area of business integrity since 2016. Updated online questionnaires were communicated to governments, business associations and companies in May 2021 and their responses were collected until August 2021.

Preliminary findings of the above research were presented for discussion and validation at the meeting of the ACN Business Integrity Group (ACN BIG). Experts were also invited to share their views on the challenges for business integrity in the region and present examples of good practices adopted by governments, business associations and companies. During the drafting of the study, consultations took place with many members of the ACN BIG.

Furthermore, the 2022 edition's methodology has been enhanced by including the findings of the Pilot 5th Round of Monitoring under the Istanbul Anti-Corruption Action Plan (IAP).³ IAP monitoring is based on a peer-review methodology, where data is collected from the governments to assess their efforts in combatting and preventing corruption. The data is then analysed by peers from other countries, who conduct visits to the countries (which were virtual in 2021), meet public and private sector representatives, and verify and cross-check the information to ensure objective assessment. This pilot monitoring was based on performance indicators covering different areas of anti-corruption work, including business integrity. The findings of the monitoring pilot were an important source for at least partial verification of the results of the survey, which are essentially self-assessments by the respondents. It should be noted, however, that the 2021 pilot round of monitoring only covered five countries: Armenia, Azerbaijan, Georgia, Moldova and Ukraine.

1.1.3. Structure

The study starts with the analysis of business integrity risks in the region, providing an overall assessment of the business integrity climate, followed by an overview of key risks identified by governments, business associations and companies, and of the legislative initiatives targeted towards the promotion of business integrity. The study then explores the measures implemented by governments, companies and business associations in the field of business integrity, analysing both individual efforts and the areas of actual and potential future co-operation between the three groups of actors. Due to the extraordinary impact of the COVID-19 pandemic, a separate chapter is dedicated to examining its effects on business integrity and responsible business conduct. The study ends with recommendations for improving the business integrity climate in the region.

1.2. Participants of the survey

To ensure the consistency and comparability of the results between the 2016 and the 2022 edition of the survey, potential respondents were selected based on the proposals gathered from the members of ACN. The final sample of respondents was 10 out of 25 governments of ACN countries (same as the number of governments that took part in the 2016 survey), 11 business associations (compared with 15 in 2016), and 16 companies (18 in 2016).

It should be noted that, given the small number of survey participants, as well as the fact that mostly large and international companies are likely to have responded, the extent to which the findings of the survey

² The survey was conducted before Russia's suspension from OECD bodies.

³ Istanbul Action Plan is a programme of anti-corruption peer reviews implemented by the ACN. The pilot of the 5th monitoring round was completed in 2022 for five countries: Armenia, Azerbaijan, Georgia, Moldova and Ukraine. This pilot was funded by the EU for Integrity Programme. For more information, please refer to [the OECD website](#).

can be extrapolated to the entire sectors of the countries in question is limited, so the results should be treated only as possible indicators of the general state of affairs.

Table 1.1. Sample of the regional survey

Governments – 10	Business associations – 11	Companies – 16
1. Armenia	Albania -2	Armenia – 1
2. Azerbaijan	Georgia – 1	Estonia – 1
3. Croatia	Kyrgyz Republic – 1	Georgia – 1
4. Hungary	Lithuania – 1	Latvia – 2
5. Latvia	North Macedonia – 2	Lithuania – 1
6. Lithuania	Romania – 2	Russia – 1
7. North Macedonia	Russia – 1	Türkiye – 4
8. Romania	Türkiye – 1	Ukraine – 4
9. Russia		Uzbekistan – 1
10. Uzbekistan		

1.3. Baseline from 2016 survey

The first edition of the BI study published in 2016 (OECD,2016) demonstrated that, although anti-corruption policies, legislation and institutions were improving in Eastern Europe and Central Asia, the level of enforcement was uneven across the countries, including the development of policies to promote business integrity by governments. The study noted that compliance programmes in companies often remained on paper and were not implemented in practice. However, the study also highlighted a growing interest in BI across the region, as well as many emerging public and private initiatives in this area.

The 2016 study included recommendations addressed to governments, business associations and individual companies:

For governments:

- Enforcement of private-to-public and private-to-private anti-corruption laws and regulations
- Stronger attention to business in national anti-corruption strategies – not only via enforcement, but, first and foremost, through a focus on the incentives for companies to establish effective compliance systems
- Greater transparency in a number of corruption-prone areas, inter alia, by developing online registries of inspections, e-procurement systems, and the registries of beneficial owners.

For business associations:

- Creation of platforms that would foster more active promotion and sharing of good examples in the fields of BI between associations and countries within the region
- Collection and sharing of data related to the results achieved through BI initiatives implemented by business associations, which would further increase the trust in the tools related to business transparency
- More active establishment of anti-corruption, ethics or integrity units or creation of particular mechanisms for supporting individual companies within the business associations themselves.

For companies:

- Transition from having internal written policies, codes or regulations to the establishment of other elements within their compliance management systems (e.g. integrity-related training of employees, internal channels for the reporting of incidents, integrity-related requirements for business partners, and dedicated integrity units or officers);
- Proactive enforcement of the established anti-bribery and corruption procedures, including protection of whistleblowers, disclosure of anti-bribery and anti-corruption measures, and legal action against other companies for integrity breaches.

Since 2016, several important developments in the context of BI have been observed. First of all, international BI standards have become better established. The OECD has made important contributions to BI standard-setting by adopting new OECD ACI guidelines for SOEs (OECD, 2019), as well as the new OECD foreign bribery recommendations (OECD, 2021b).

Second, BI has attracted a lot of attention from national governments, international organisations and the private sector both worldwide and in Eastern Europe and Central Asia in particular. The OECD Working Group on Bribery has established its global BI roundtable that also includes regional BI platforms, such as the ACN BI Group.

Regionally, the OECD, the EBRD, the UNDP and the OSCE have conducted numerous awareness raising projects to promote the 2016 recommendations. Many BI awareness-raising activities were implemented in the region by the private sector, inter alia, through domestic collective actions.

In addition, the ACN undertook two other BI projects: a study on Business Ombudsman Institutions in the ACN region and the development of BI performance indicators as part of the new methodology for the IAP monitoring. These BI indicators, as well as the indicators on related issues, such as the liability of legal persons for corruption and whistleblower protection, were tested in five countries of the region (Armenia, Azerbaijan, Georgia, Moldova, Ukraine) during the 2021 pilot, making it possible to collect extensive data on the situation in those countries in terms of business integrity. The pilot's findings are incorporated into the relevant sections of this study.

Meanwhile, the private sector has also witnessed collective initiatives aiming to raise awareness of business integrity.

Box 1.1. Annual Business Integrity Events in Ukraine

To engage the government and other stakeholders in dialogue on business integrity and promote business integrity culture, local initiatives such as the Ukrainian Network of Integrity and Compliance (UNIC) have organised the annual Business Integrity Month (BIM). The BIM is a meeting point where the business community, the state, and the civil society can discuss modern trends for responsible business conduct, exchange information on best business practices, work on legislative changes, and promote integrity culture.

During the BIM 2021, 17 online and in-person events were held in Ukraine, making it possible to bring together representatives of central government, the Business Ombudsman Council, state-owned companies, leading international institutions, and a wide range of businesses operating in Ukraine.

Figure 1.1. UNIC Compliance Night, October 2021



Source: UNIC (2021a), Business Integrity Month Opening, <https://unic.org.ua/en/news/19-zhovtnya-zaprosnyemo-na-vidkryttya-misyacya-csho-rozpochnetsya-z-diskusiyi-top-ceos-na-temu-biznes-etiki-majbutnogo-271/>.

The BIM activities have helped to highlight the issues which are important for business and have resulted in new joint initiatives. For example, discussions on compliance programs for SOEs have led to the establishment of the UNIC-based compliance officers club. Currently, it is actively involved in bringing compliance issues into the overall agenda of SOEs undergoing reform in Ukraine. In a further example, the discussions of the BIM were transformed into educational modules of the UNIC Business Integrity Academy.

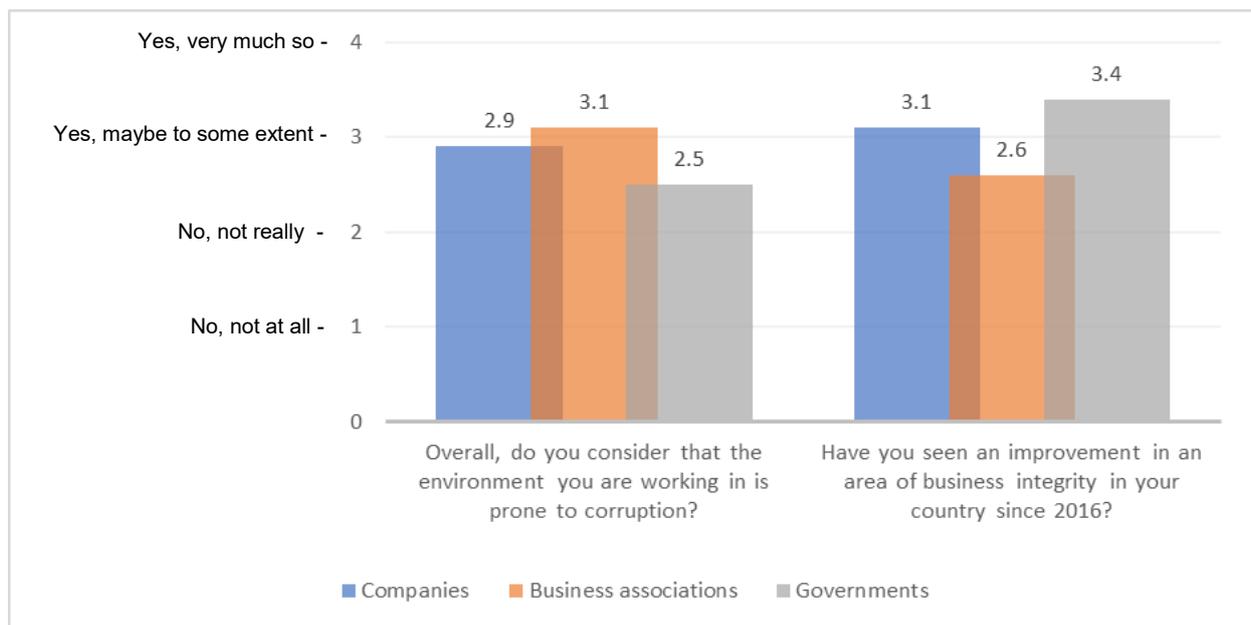
Source: UNIC (2021a), Business Integrity Month Opening, <https://unic.org.ua/en/news/19-zhovtnya-zaprosnyemo-na-vidkryttya-misyacya-csho-rozpochnetsya-z-diskusiyi-top-ceos-na-temu-biznes-etiki-majbutnogo-271/>.

2 Analysis of business integrity risks in the region

2.1. General business integrity climate

The first section of the survey was dedicated to understanding the overall situation in the region in terms of corruption and identifying the most common and significant business integrity risks.

Figure 2.1. Overview of respondents' views on corruption and business integrity climate improvement



In terms of the overall business integrity climate in the countries covered by the survey, most of the companies which provided responses acknowledged improvements over the last five years. However, most of them still think that business environment is rather prone to corruption with business associations holding an even more critical view of the overall business integrity climate in their countries. When it comes to the assessment of improvements in the area of business integrity, the opinion of business associations is even less positive compared with companies and they have highlighted in their answers a lack of proactive enforcement by the governments of the BI recommendations presented by business.

Overall, government responses were similar to those by companies and business associations in terms of the acknowledgement of persistent corruption risks in their countries. The relatively low average score for government responses to this question stems from several outliers (Armenia, Azerbaijan, Russia, and

Uzbekistan) where governments hold an extremely positive view of the situation. The responses by the latter three governments were also different from the rest in that they evaluated the efforts of business organisations to promote business integrity as poor or very poor (while the governments of other countries were, overall, positive about those efforts).

The governments tend to have a positive view regarding improvements in the area of business integrity in their respective countries over the five-year period since 2016. Their opinion is generally more positive than that of companies and business associations. According to the responding government agencies, this is due mainly to the efforts by the governments to improve the situation in such areas as whistleblower protection, transparency of public procurement, and accountability standards in SOEs.

When asked about the evidence of improvements (as long as any improvements had been identified), representatives of governmental institutions (especially those representing EU/OECD member states) singled out positive changes in surveys and different indexes pointing to:

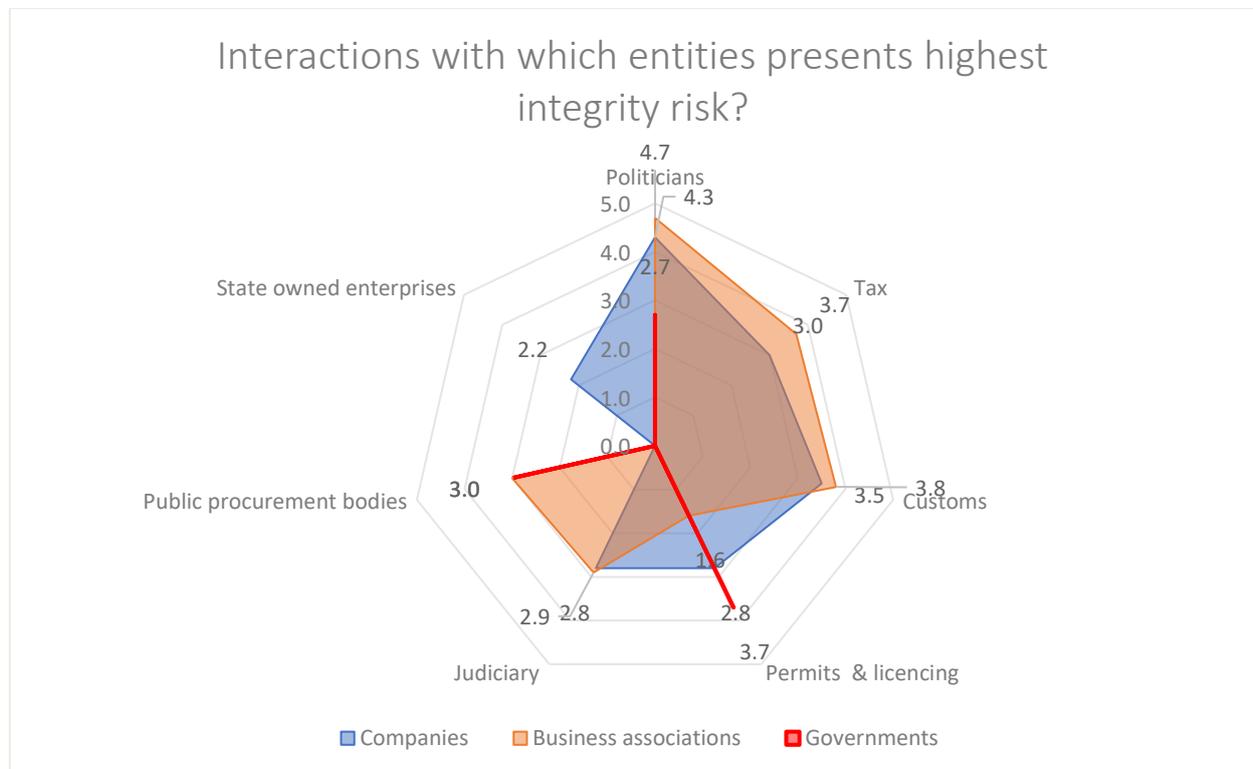
- Reduced willingness of business organisations to make unofficial payments “to get things done” and engage in business-to-business corruption;
- Higher awareness of reporting channels and possibilities, as well as application of integrity measures within companies.

2.2. Key business integrity risks

Analysis of business integrity risks shows that a majority (57%) of companies surveyed agree that corruption is a significant risk for their daily operations.

Analysis of the business integrity risks in the 2022 edition of the survey shows that the list of governmental institutions with the highest integrity risks remained unchanged since the 2016 survey. They include the **tax authorities, customs, licensing and permit institutions, state-owned enterprises, and judiciaries**. Importantly, **politicians, in addition to having been included in the list by** companies as well as business associations, were also identified as the group with the highest impact on the environment in which businesses operate. The placement of politicians in the group of highest-risk actors has not changed since the 2016 survey. This corresponds with the findings of the 2020 ACN summary report (OECD, 2020) which identified effectively addressing potential cases of high-level corruption as a key challenge in the region.

Figure 2.2. Entities presenting highest integrity risk

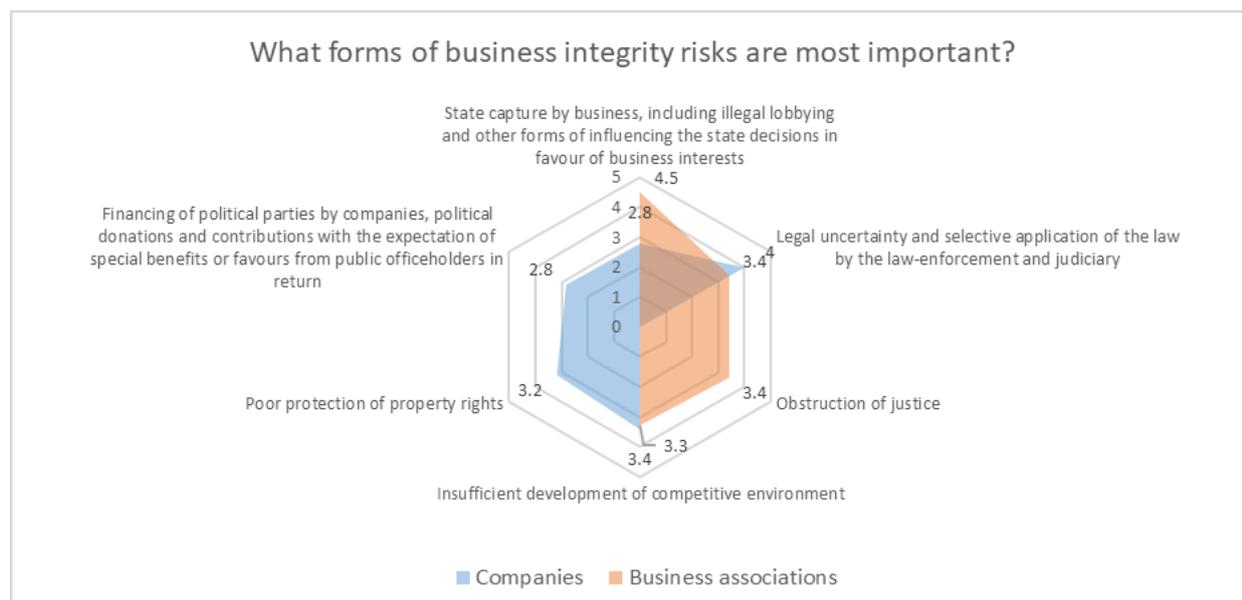


Note: for easier interpretation of the “spider” charts, scales were inverted with (in this instance) 5 indicating highest risk and 1 – the lowest risk.

As in the first edition of the BI survey conducted in 2016, **suppliers and vendors, agents and distributors** are seen to be amongst the most sensitive group of stakeholders in the area of business-to-business relations in terms of corruption and bribery risks. This is among the main reasons why more than half of respondents regularly perform **corruption and bribery due diligence** for other companies.

Government representatives from most of the countries surveyed said that they do not perform country-wide corruption risk assessments. However, their opinions on the areas where integrity risks are highest are largely similar to those by business organisations, focusing mainly on permits and licensing, politicians, public procurement and health care.

Figure 2.3. Most important forms of business integrity risks



As far as the most common risks are concerned, **legal uncertainty and selective application of law by law-enforcement bodies and judiciaries, as well as insufficient development of a competitive environment**, are at the top of the list for both companies and business associations. Both groups of risks were not simply rated as the most common business integrity risks, but were also ranked as having the highest impact on companies. Poor protection of property rights was the next most significant business integrity risk for companies, while business associations highlighted the risk of obstruction of justice.

State capture by business, including illegal lobbying and other forms of influencing the state decisions in favour of business interests, was mentioned among the most significant risks by both companies and business associations, with the latter group ranking it as more significant.

Box 2.1. State capture by business and integrity of SOEs

According to the World Bank, state capture refers to “the exercise of power by private actors – through control over resources, threat of violence, or other forms of influence – to shape policies or implementation in service of their narrow interest”. Likewise, TI defines state capture as “a situation where powerful individuals, institutions, companies or groups within or outside a country use corruption to shape a nation’s policies, legal environment and economy to benefit their own private interests”.

This form of grand corruption is widespread in post-Soviet countries, where public assets are concentrated in the hands of the political elite and oligarchs, who create barriers for diversification and liberalisation of the markets. Various manipulations with the land, tax and procurement regulations, loan-level data, subsidies and licenses are amongst the most common capture mechanisms. The above-mentioned abuses are often perpetrated within or with the use of state-owned enterprises, in which positions are often used as recompense for political allegiance.

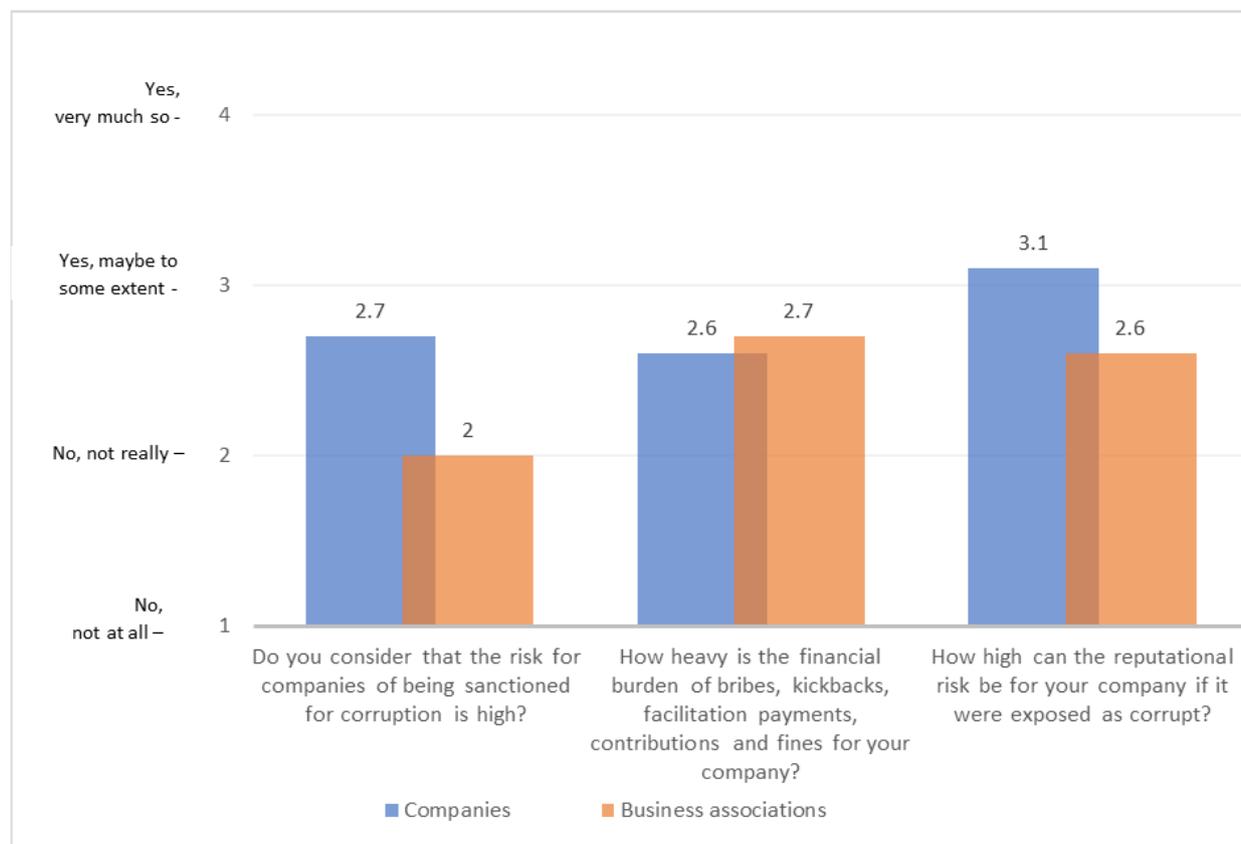
The OECD Working Party on State Ownership and Privatisation Practices analysed national practices in insulating SOEs from being exploited for political finance, patronage, or personal or party-related enrichment. The report analyses integrity and autonomy of SOEs against the Recommendation of the Council on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises. It emphasises the need to protect state ownership entities’ and SOE’s board and executive managers from undue influence in order to prevent private interests’ interferences in the decision making.

The report insists on the need for the States to take legal measures to prevent the abuse of SOEs by:

- prohibiting personal or related-party enrichment and applying illicit enrichment regulations to SOEs representatives
- applying anti-bribery legislation to SOEs and introducing liability of SOEs as legal persons for bribery
- prohibiting for SOEs to make donations to political parties or candidates
- preventing and criminalising patronage in SOEs, and therefore, reducing politicisation or manipulation of decision-making bodies in SOEs.

Source: World Bank (2017), World Development Report 2017: Governance and the Law, <https://openknowledge.worldbank.org/handle/10986/25880>; Transparency International (2009), The Anti-Corruption Plain Language Guide, https://images.transparencycdn.org/images/2009_TIPlainLanguageGuide_EN.pdf; OECD (forthcoming a), Insulating SOEs from being used as conduits for political finance, patronage, or personal or related-party enrichment.

Figure 2.4. Impact of bribery and corruption to companies



Similarly to the 2016 survey, the responses by businesses discussed above clearly show that sanctions and the financial burden of bribes and kickbacks are of lesser concern to them than the impact of business integrity risks' on their competitiveness.⁴

Thus, it is obvious that governments have a critical role to play in terms of improving the legal environment, focusing not only on the adoption of laws, but also on ensuring that the relevant laws and procedures are applied fairly and without a selective approach based on the size or the nature of a business. Governments in the region do not enforce corporate liability effectively and cannot provide signals which would prompt changes. However, the responses to the open-ended questions suggest that the signals from the global market actually work and the companies that already operate globally, or are planning to do so, are actively responding to those signals.

⁴ The scales and options to be selected were slightly different between surveys' conducted in 2016 and the 2022 edition. However, the substance of the answers provided by respective respondents remained very similar.

3 Measures taken by governments to promote business integrity

3.1. Focus of government measures to promote business integrity

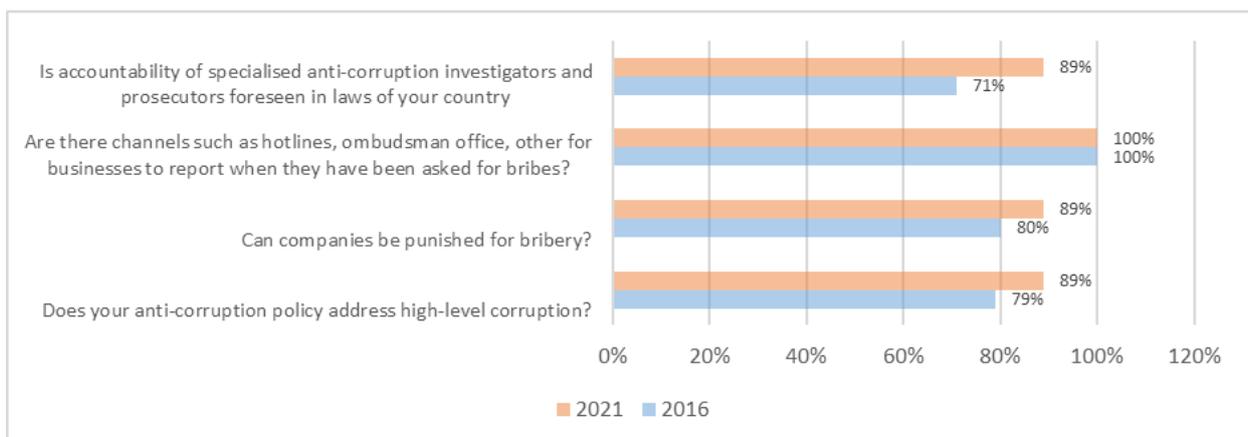
In their responses to the 2022 edition survey's questions, the government institutions responsible for business integrity and anti-corruption measures declared, overall, a strong focus on business integrity.

It is encouraging that all participant countries have national anti-corruption strategies for the next five to seven years, developed and approved by the governments and/or parliaments. The governments participating in the survey also stated that high-level corruption is addressed in these documents. However, recent OECD ACN monitoring of the some of these countries demonstrated that national anti-corruption strategies do not address high level corruption sufficiently.

Analysis of the survey also shows that, compared with 2016, the countries do devote more attention to such topics as private-to-private corruption and sector-specific risks, assistance to and co-operation with businesses in terms of identification and investigation of corruption cases (including foreign bribery), and promotion of internationally accepted standards.

The graph below also shows that the dynamics of business integrity environment are rather positive, with improved provisions on the accountability of specialised anti-corruption investigators in the relevant laws, establishment of reporting channels, and greater focus on high-level corruption.

Figure 3.1. Dynamics in business integrity environment, 2016-21



However, the findings of the pilot 5th round of IAP monitoring (see Box 3.1) demonstrated that there are still significant challenges in the region, as far as the accountability of anti-corruption law enforcement bodies is concerned.

Box 3.1. Accountability of Specialised Anti-Corruption Investigators

The stocktaking report on Anti-Corruption Reforms in Eastern Europe and Central Asia highlighted the issues of integrity and accountability of the specialised anti-corruption investigators and prosecutors in the region. Taking into account findings of the previous rounds of the monitoring under the Istanbul Action Plan and based on the international standards, the 5th pilot round of monitoring looked into the independence, impartiality and accountability of the anti-corruption law enforcers in ACN countries.

The accountability of the specialised anti-corruption law enforcement practitioners was assessed against the following indicators:

- Indicator 13.7. Work of the specialised anti-corruption prosecutors and anticorruption investigative body or unit is transparent and audited.
- Indicator 13.8. Specialised anti-corruption investigators and prosecutors are held accountable

The monitoring results showed that anti-corruption law enforcement institutions in Armenia, Azerbaijan, Georgia and Moldova publish annual reports on the results of their work with statistical data on the issue of investigations. However, no external evaluation of the specialised investigative bodies is being performed and public oversight mechanisms are not in place. Only in Ukraine, the Public Oversight Council monitors activities of the National Anti-Corruption Bureau of Ukraine (NABU), inter alia, by reviewing its reports and providing recommendations, attending trials and monitoring high-level cases. Although an independent external performance evaluation of the NABU is provided in law, it has been carried out in practice only once and was initiated by the NABU itself: A supervisory audit was conducted by a group of international auditors of the PECB Group Inc. in March 2020.

In terms of the investigation of corruption offences perpetrated by the specialised anti-corruption investigators, the Armenian Government mentioned that, in 2020, there were three cases of corruption committed by officers of the National Security Service (NSS) and one case involving an investigator of the Investigative Committee. The NSS case was sent to court with an indictment, two other cases were terminated on procedural grounds. In Moldova, there have been allegations of corruption offenses committed by a former chief prosecutor of the Anti-Corruption Prosecutor's Office (APO) and by another prosecutor of APO. They are being investigated, but the public has no clear opinion on thoroughness of these investigations. In Ukraine, there have been no serious allegations since 2017 when NABU detectives initiated an investigation into allegations involving the head of the (Special Anti-Corruption Prosecutor's Office) SAPO that led to the NABU wiretapping the Head of SAPO. There were also instances where the SAPO and certain other prosecutors were accused by the public of being too loyal to a suspect, which resulted in creation by some CSOs of the list of cases "dumped" by the SAPO.

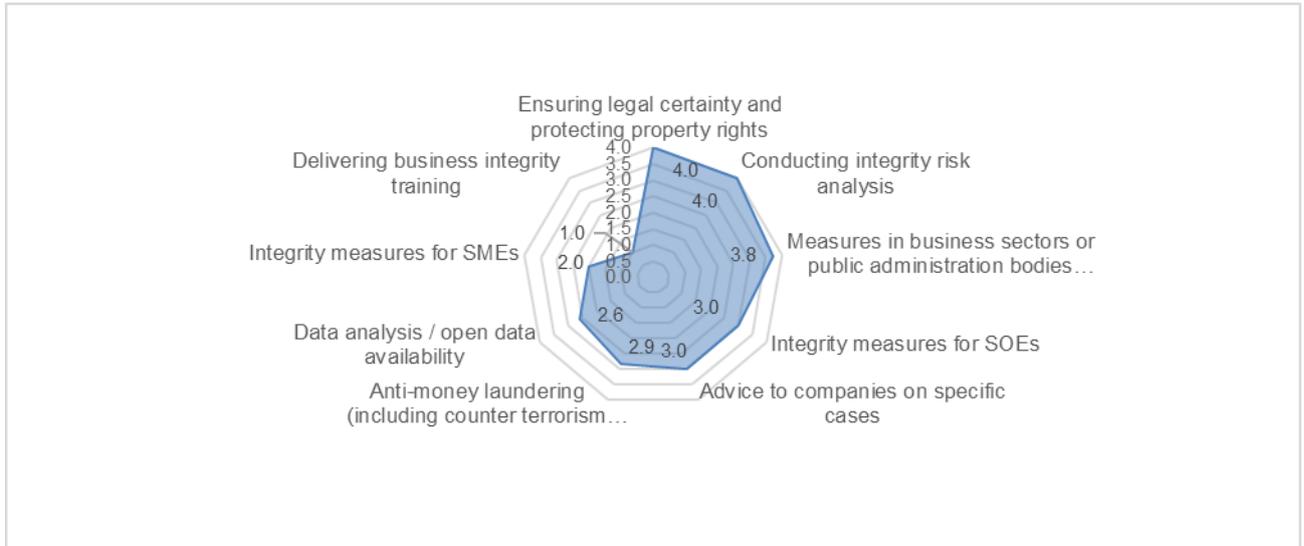
Source: OECD (2022a), Anti-Corruption Reforms in Armenia. 5th Round of monitoring of the IAP. Pilot <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-armenia-e56cfa9-en.htm>; OECD (2022b), Anti-Corruption Reforms in Azerbaijan. 5th Round of monitoring of the IAP. Pilot <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-azerbaijan-3ae2406b-en.htm>; OECD (2022c), Anti-Corruption Reforms in Georgia. 5th Round of monitoring of the IAP. Pilot <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-georgia-d709c349-en.htm>; OECD (2022d), Anti-Corruption Reforms in Moldova. 5th Round of monitoring of the IAP. Pilot <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-moldova-9bb0367e-en.htm>; OECD (2022e), Anti-Corruption Reforms in Ukraine. 5th Round of monitoring of the IAP. Pilot <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-ukraine-b1901b8c-en.htm>; OECD (2020), 2020 ACN Summary report, <https://www.oecd.org/daf/anti-bribery/Anti-Corruption-Reforms-Eastern-Europe-Central-Asia-2016-2019-ENG.pdf>.

Considering recent scandals related to **money laundering** and breaches of sanction regimes, it is not surprising that 64% of government responses highlighted these issues as a major area where governments have concentrated their actions. It was followed by ensuring legal certainty and **protection of property rights** which were mentioned in 55% of the responses. It has to be noted that this issue was mentioned

by both companies and business associations as the top business integrity risk on their side. Investment in the **integrity of SOEs** came next, along with data analysis and **open data** availability, with 45% of governments saying that these issues are among their priorities. The governments were also asked to rank different types of assistance in terms of their importance (see Figure 3.2 below).

Figure 3.2. Governmental assistance to companies in promotion of business integrity culture

What assistance does the government provide to companies regarding the following areas?



Box 3.2. Promoting Integrity in SOEs: OECD Guidelines

The 2019 OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises (ACI Guidelines), which are based on the OECD Recommendation adopted the same year, offer a set of measures which states are advised to implement in order to reduce corruption risks in SOEs. As general principles, states are encouraged to ensure integrity throughout state bodies, particularly those exercising ownership vis-à-vis SOEs; to exercise their role as SOE owners with the purpose of promoting integrity; to ensure that enterprise-level preventive safeguards are in place; and to facilitate the accountability of SOEs and the state as their owner.

In terms of more specific steps, the Guidelines urge states to:

- Apply high standards of conduct to the state (inter alia, by promoting transparency of the relevant state bodies, ensuring that their representatives are subject to appropriate conflict of interest rules, and that mechanisms are in place for reporting suspected irregularities).
- Establish ownership arrangements that are conducive to integrity (including establishment of safeguards against the use of SOEs as vehicles for obtaining personal or political gain).
- Ensure clarity in the legal and regulatory framework and in the State's expectations for anti-corruption and integrity.
- Act as an active and informed owner with regards to anticorruption and integrity in state-owned enterprises.
- Encourage integrated risk management systems in state-owned enterprises.
- Promote internal controls, ethics and compliance measures in state-owned enterprises.
- Safeguard the autonomy of state-owned enterprises' decision-making bodies (by ensuring, among other things, the inclusion of an appropriate number of independent members in SOE boards).
- Establish accountability and review mechanisms for state-owned enterprises (including the possibility of SOEs being summoned to report to national legislatures and the requirement of annual external audits).
- Take action and respect due process for investigations and prosecutions (inter alia, by ensuring the applicability of effective civil, administrative and criminal penalties to SOEs and offering protection to the individuals who report suspected irregularities in SOEs).
- Invite the inputs of civil society, the public and media and the business community.

Source: OECD (2019), Guidelines on Anti-corruption and Integrity in State-Owned Enterprises, <http://www.oecd.org/corporate/Anti-Corruption-Integrity-Guidelines-for-SOEs.htm>.

3.2. Enforcement of anti-bribery and conflict of interest rules

Government institutions, again, hold a very positive view, stating that **sanctions against public officials** for taking bribes are established through their respective legislative acts whereby both active and passive bribery are criminal offences. Furthermore:

- Alongside custodial sentences, deprivation of the right to occupy certain positions or to be engaged in certain activities could also be applied as additional sanctions for corruption-related crimes;

- According to 73% of the respondents, companies can be punished for bribery, with criminal, civil and administrative liability (including potential dissolution of companies) established through the relevant legislative acts.

The findings of this survey (presented below), as well as of the IAP monitoring, show that law enforcement statistics (especially those concerning final sanctions) are not collected by the countries in a consistent manner. Furthermore, there is currently no evidence to suggest that the above optimistic outlook of the governments reflects the state of affairs in practice, especially in the IAP countries.

Similarly, there are considerable problems in terms of the enforcement of **conflict of interest rules**. In most cases, if proven, breaches of conflict of interest rules would, under the relevant laws, result in fines and could potentially lead to resignations or office terminations for politicians, as well as criminal liability. However, due to the challenges of enforcement and the lack of data related to the management of conflicts of interest, there is a perception that this area is largely overlooked by the governments.

Information about **actual numbers of prosecutions, sanctions, the cases initiated against public officials over bribery and corruption, conflict of interest cases and other similar offenses** is not gathered or tracked consistently. Only 27% of the respondents confirmed that appropriate trackers or registries exist in their countries. However, even in those cases, the respondents were unable to present the evidence of this.

This situation could indicate either unwillingness or lack of capacity to establish a transparent prosecution process which would demonstrate to the society the effectiveness of the institutions acting in the relevant domains.

The findings of the IAP monitoring pilot regarding the liability of legal persons are noteworthy in this context. Four of the five countries included in the pilot have relevant legal provisions in place, although significant gaps remain in the laws across the region, notably with regard to the types of corruption offences and agents covered, while effective enforcement remains a challenge in all countries. This, once again, raises questions as to whether the positive views of the governments regarding the situation in their respective countries are based on facts.

3.3. Reporting mechanisms and channels

The analysis of answers regarding **reporting mechanisms for integrity breaches, corruption cases and protection of whistleblowers** showed that, in 60% of cases, government agencies or units responsible for business integrity are not established, while 20% of respondents said that responsibility for business integrity is spread across multiple agencies, and only in 20% of cases could the responding countries identify the institutions to which this responsibility is assigned. Comparing the above results with those of the 2016 survey, a positive change is evident, albeit only marginal.

The survey also revealed limited use of whistleblowing channels and a lack of relevant information. According to the governments, hotlines, ombudsman's offices and other reporting channels are available for businesses in all countries (while the duty to report suspicions of bribery is also in place for public officials in 73% of the countries surveyed). The governments also assessed the effectiveness of these channels very positively. However:

- In 18% of the cases, these channels are not used at all: According to the responses collected, there had been no cases of reported bribery or commencement of investigation over the preceding two years;.In more than 70% of cases, the relevant government institutions do not have the information about the use of these channels.

Box 3.3. Impact of Recommendation CM/Rec(2014)7 on Whistleblower Protection in ACN countries

In June 2022, the Council of Europe (COE) and the European Committee on Legal Co-operation published a snapshot of the current state of play for the protection of whistleblowers in member states in light of the adoption of Recommendation CM/Rec(2014)7 of the Committee of Ministers on the protection of whistleblowers.

The Recommendation CM/REC(2014) itself was adopted on 30 April 2014. The evaluation report outlines how the Recommendation has fostered the reforms in the field of whistleblower protection. According to the report, Croatia, Georgia, Latvia, Moldova, Lithuania, and Ukraine stated specifically that Recommendation CM/REC(2014) “aided them in developing their laws”. For instance, Lithuania amended its Code of Civil Procedure, to ensure that whistleblower’s identities are kept confidential, especially during court hearings. Ukraine, Georgia, and Moldova reformed the competences of existing institutions, giving them powers to handle whistleblower cases specifically. In Ukraine, for example, the National Anti-Corruption Bureau (NACB) can receive reports of suspected of corruption, and individuals can report both confidentially and anonymously.

In many countries, the introduced changes can be seen as examples of interesting or good practices and include the following aspects:

- A wide range of protections offered to whistleblowers and their families (Lithuania and Ukraine)
- Placement of the burden of proof on the employer (Georgia, Lithuania, Moldova and Romania)
- Awareness-raising campaigns (Latvia, Georgia, Moldova)
- Provision of legal aid (Lithuania)
- A requirement for judges to be specially trained before being allowed to hear whistleblower cases and claimants having access to swift injunctive relief at an early stage to enforce strong interim protective measures (Serbia)
- Financial rewards as part of whistleblower protection frameworks (Ukraine and Lithuania in which financial payments may be made to persons providing “valuable information”).

Source: CM/REC (2014), 7 of the Committee of Ministers to Member States on the Protection of Whistleblowers, <https://rm.coe.int/cdcj-2022-01-evaluation-report-on-recommendation-cmrec-2014-7p/1680a6fee1>.

According to the findings of the recent pilot monitoring round of five IAP countries, all of them guarantee protection of whistleblowers through relevant laws, although, in some cases, the protection only applies to the reporting of wrongdoings in the public sector. Importantly, the application of protection measures remains extremely rare in practice. Only two of the five countries currently have a business ombudsman.

Box 3.4. Business Ombudsman Institutions in the Region

Different models of Business Ombudsman institutions (BOs) are in place across Eastern Europe and Central Asia: those created by the executive branch as a part of public administration (Albania, Georgia), the institutions created by the government as a part of business chambers (Kazakhstan, Uzbekistan), and independent public-private bodies created with the support of international organisations, governments and business associations (Kyrgyzstan, Ukraine).

The objectives of these institutions usually include prevention of violations of legitimate rights of companies and improvement of state policies in the field of entrepreneurial activities. In practice, BOs act as the primary channel for companies to report unfair business practices and provide non-judicial mechanism to address mistreatment of business by administrative entities. BOs across ACN countries can help companies to deal with problems with any state body, without any limitations by sector or type of institutions.

Responsibilities and powers of the BOs are prescribed in the decrees and/or laws by which they are established. Their own internal Rules of Procedures further guide their activities. Overall, they have the following general responsibilities:

- Receive complaints from companies
- Review these complaints and provide recommendations for resolving the problems
- Offer policy recommendations for eliminating systemic problems
- Participate in the development of policies and legislation related to the regulation of business.

Some BOs have additional responsibilities, such as participation in the implementation of state policy on the development of entrepreneurial activity and improvement of the business climate; co-operation with the business community; assistance in the development of public institutions focused on the protection of rights and legitimate interests of businesses. As for their powers, they vary significantly among the BOs, ranging from the power to access to all state information, issue mandatory recommendations and initiate law-enforcement actions to purely consultative and mediation rights.

Source: OECD (forthcoming b), "Business Ombudsman Institutions in Eastern Europe and Central Asia: Understanding New Trends and Developing Good Practices."

3.4. Government incentives for integrity measures in the private sector

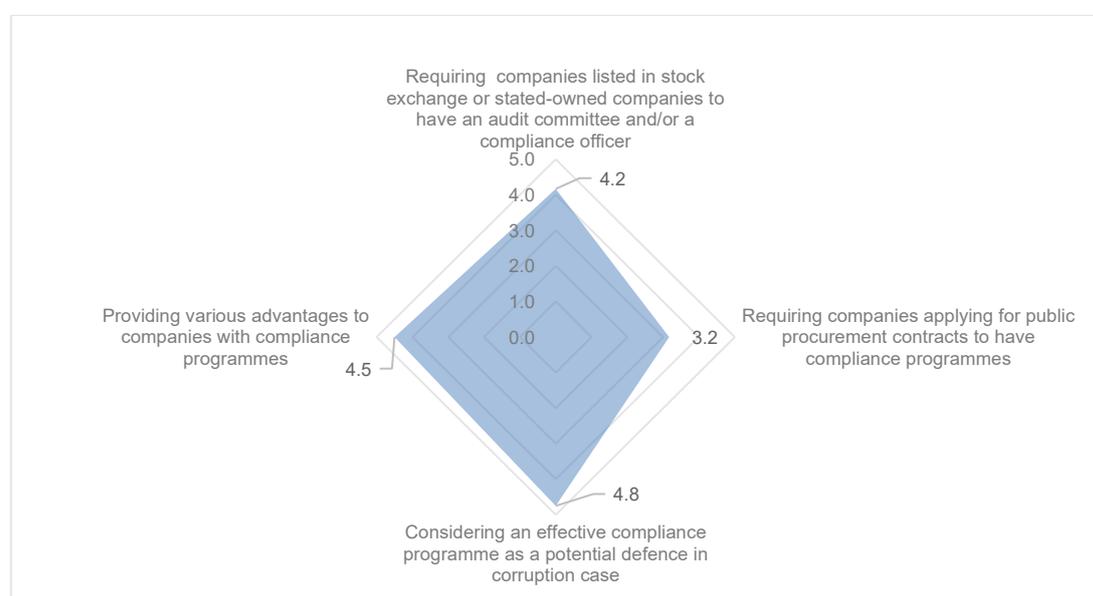
In terms of the government steps designed to encourage the private sector to implement integrity measures, the answers of the survey show that government institutions mostly focus on the management of BI issues in the public domain, even when they are asked about the support for business specifically – 55% of responding governments named two areas where companies are expected to meet particular requirements:

- Companies listed in a stock-exchange and SOEs are required to have audit committees and/or compliance officers
- Companies applying for public procurement contracts are required to have compliance programmes.

The governments were also asked to rank these measures in terms of their importance (see Figure 3.3 below).

Figure 3.3. Measures taken by governments to encourage companies improve self-regulation and compliance programmes

What measures does the government take to encourage companies to improve self-regulation and to introduce compliance programmes?



Note: in this specific case respondents were asked to name top three measures and rank them in terms of priority on a scale from 1 (lowest) to 5 (highest). The graph above shows the average priority scores provided by respondents.

These answers by the governments appear to be at odds with the state of affairs in practice – at least in the case of the five countries covered by the IAP pilot round of monitoring which found that it is still extremely rare for SOEs to have a proper compliance and risk management framework and that only in a minority of these countries do corporate governance codes or similar documents establish the responsibility of the boards of listed companies to oversee corruption risk management.

Meanwhile, 36% of governments said that they would consider an effective compliance programme a potential defence in corruption cases. However, this is still largely a mere declaration, without businesses actually seeing it applied in practice in courts or in the course of prosecutions.

Box 3.5. Compliance Programmes as Defence in Corruption Cases: The US Department of Justice's (DoJ) and the Serious Fraud Office's (SFO) Guidelines

The US Department of Justice (DoJ) has laid out specific factors that prosecutors should consider in conducting an investigation of a corporation in the Justice Manual "Principles of Federal Prosecution of Business Organizations". In June 2020, the DoJ updated a related guidance document "Evaluation of Compliance Programs". It is meant to assist prosecutors in making informed decisions as to whether, and to what extent, the corporation's compliance programme was effective at the time of the offense, and is effective at the time of a charging decision or resolution, for purposes of determining the appropriate (1) form of any resolution or prosecution; (2) monetary penalty, if any; and (3) compliance obligations contained in any corporate criminal resolution (e.g. monitorship or reporting obligations).

Because a corporate compliance programme must be evaluated in the specific context of a criminal investigation, the Criminal Division does not use any rigid formula to assess the effectiveness of corporate compliance programs. Still, the assessment covers the following questions:

- Is the corporation's compliance programme well designed? Is the programme adequately designed for maximum effectiveness in preventing and detecting wrongdoing by employees and whether corporate management is enforcing the programme or is tacitly encouraging employees to engage in misconduct?
- Is the programme being applied earnestly and in good faith? Is the programme adequately resourced and empowered to function effectively? Is the programme implemented, reviewed, and revised, as appropriate, in an effective manner?
- Does the compliance programme work in practice? Did the programme evolve over time to address compliance risks?

Likewise, the UK Serious Fraud Office (SFO) examines company's compliance programme for different purposes, from the decision to prosecute or not to sentencing considerations. To this end, prosecutors assess compliance programme for different time periods.

While the assessment should be strategic, tactical and outcome focused, in 2011 the Ministry of Justice issued statutory guidelines for companies, making it clear that the procedures are not prescriptive. This allows the evaluation to take into consideration circumstances of each company, especially of the SMEs.

Still, the "Six Principles" can be summarised as follows:

1. Proportionate procedures – company's policies and implementation measures should be proportionate to the bribery risks.
2. Top-level commitment – company management should foster "zero tolerance" to corruption culture.
3. Risk assessment – typical external and internal factors should be considered during the periodic risk assessment.
4. Due diligence – the procedure should be applied on a risk based approach in respect of persons who perform or will perform services for or on behalf of the company.
5. Communication (including training) – effective and continuous training on anti-bribery issues of employees and potentially third parties should be conducted.
6. Monitoring and Review – the company should monitor and review anti-corruption policies and make improvements if need be.

Source: US Department of Justice (2020), Evaluation of Corporate Compliance Programs, <https://www.justice.gov/criminal-fraud/page/file/937501/download>; Serious Fraud office (2020), Evaluating a Compliance Programme, <https://www.sfo.gov.uk/publications/guidance-policy-and-protocols/guidance-for-corporates/evaluating-a-compliance-programme/>.

It has to be noted that with respect to all of the measures highlighted by the governments as the means of encouraging companies to improve self-regulation and introduce compliance programmes, a major concern is that form prevails over the substance of the requirements in question:

- Introduction of audit committees or compliance programmes could be seen as a formality which will hardly bring expected improvements by itself.
- None of the respondents could provide any evidence or examples of the state monitoring the implementation of these measures in any way.

Thus, while the measures taken by the governments should be viewed positively, they will not be enough to achieve the desired outcomes unless their implementation and effectiveness are monitored.

Box 3.6. Incentivising Integrity: Example from Ukraine

In 2021, the Ukrainian Network of Integrity and Compliance (UNIC) established expert groups in the fields of taxation and banking. The UNIC Tax Expert Group seeks to develop recommendations and policies on transparent criteria for assessing the behaviour of corporate taxpayers in terms of integrity, to promote tax compliance and anti-corruption policies, to improve taxpayers' tax discipline, and to establish incentives for taxpayers. This work requires joint efforts by businesses and the State Tax Service of Ukraine. The introduction of tax compliance will prevent the risks of blocking the work of law firms by tax authorities due to violations of tax legislation. Tax compliance can be a set of motives and incentives for taxpayers, encouraging them to comply with tax laws. This will be a clear and simple roadmap for businesses to assess and minimise negative tax consequences and reduce tax audits.

Similarly the UNIC Banking Expert Group aims to develop proposals for the state regulator in the field of banking and financial services (National BFank of Ukraine) to improve the procedure for assessing the reliability of the client/borrower in terms of determining the level of companies risk. In particular, it is a question of whether a company has implemented a working compliance system and whether this is confirmed by officially recognised certifications, such as the Ukrainian UNIC certificate or the international ISO 37 001 certificate.

Source: UNIC (2021d), UNIC Tax Expert Group Is Formed, <https://unic.org.ua/en/news/navchannya-v-akademiyi-dilovoyi-dobrochesnosti-unic-rozpochato-291/>; UNIC (2021c), UNIC Banking Expert Group Was Founded, <https://unic.org.ua/en/news/stvoreno-ekspertnu-grupu-z-bank-vskogo-napryamku-232/>.

Although most governments agreed that the private sector is taking, together with business associations and in co-operation with governments, positive steps towards making its operations more transparent,⁵ there are still **major challenges in terms of the involvement of the private sector in the promotion of business integrity culture or development of anti-corruption initiatives**, according to the representatives of the governments.

First, governments struggle to find a proper set of **motivational instruments** that would encourage companies to develop business integrity measures. For example, in none of the five countries covered by the 2021 pilot round of IAP monitoring have the governments introduced proper incentives to encourage companies to develop internal anti-corruption mechanisms. Existing incentives are linked to the compliance of companies with tax and customs regulations, rather than establishment of effective internal anti-corruption safeguards.

⁵ 73% of respondents to agree that to a large and/ or very large extent companies and business associations take measures to promote business integrity

Box 3.7. Incentivising Compliance: Brazil's Integrity Seal

In 2017, the Brazilian Ministry of Agriculture (MAPA) established its Integrity Seal (Selo Mais Integridade) in order to encourage and reward positive practices within companies in terms of integrity, social responsibility and sustainability. The programme aims to mitigate the risks of fraud and corruption in the relations between the public sector and the private sector linked to agribusiness.

In order to receive the Seal, companies must demonstrate that they have implemented a number of essential measures, including the adoption of a compliance programme and an ethics code, and establishment of appropriate reporting channels. Additionally, companies which have committed over the preceding two years irregularities, such as tampering or falsification of processes and products inspected by MAPA, cannot apply for the Seal.

The Seal is awarded by a committee comprising both governmental and non-governmental stakeholders. First time applicants can receive a Green Seal for a period of one year which can subsequently be renewed as a Yellow Seal for another two years. The government highlights positive image among the public and recognition from potential international partners as the benefits of being awarded the seal.

At the most recent ceremony held on 23 February 2022, 17 companies were awarded the Seal, including nine companies which received it for the first time.

Source: Gov.br, Mapa entrega Selo Mais Integridade para 17 empresas e co operativas do Agro [Mapa awards 17 agro companies and co operatives More Integrity Seal], <https://www.gov.br/agricultura/pt-br/assuntos/noticias/mapa-entrega-selo-mais-integridade-para-17-empresas-do-agro>.

Box 3.8. Incentives for Compliance Programs: OECD WGB Recommendation

The OECD 2021 Anti-Bribery Recommendation calls on the member states to:

“...encourage their government agencies to consider, where international business transactions are concerned and as appropriate, internal controls, ethics and compliance programmes or measures for the purpose of preventing and detecting foreign bribery in their decisions to grant public advantages, including public subsidies, licences, public procurement contracts, contracts funded by official development assistance, and officially supported export credits...

...where member countries implement measures to incentivise enterprises to develop such compliance programmes or measures, provide training and guidance to their relevant government agencies, on how internal controls, ethics and compliance programmes or measures are taken into consideration in government agencies' decision-making processes, and ensure such guidance is publicised and easily accessible for companies.”

Source: OECD (2021b), Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0378>.

The survey demonstrated that the focus is still very much on the prosecution-driven enforcement actions. Only 36% of responses observed examples of administrative simplification initiatives (such as “green flags or corridors” and “fast track” in tax, customs and other inspections procedures, or preferences in public

procurement or other programmes of governmental benefits, such as subsidies, credits and other state aid financing) that would be granted to companies with compliance programmes implemented. The governments appear to believe that the market will provide positive motivation via the development of business relations and partnerships with multi-national enterprises and SOEs.

The **lack of knowledge and specialised experts in the field of business integrity** who could help with the practical side of the implementation of business integrity and transparency measures in organisations is also seen as the major concern.

Box 3.9. Building knowledge on business integrity: Lithuanian Integrity Academy

Launched on 9 December 2020, the Integrity Academy is a platform for exchanging the best anti-corruption practices, where leading experts within the field of integrity share their experiences and advice on how to create an effective anti-corruption environment. The exchange of best practices on integrity was initiated by the President of the Republic, Gitanas NAUSĖDA. The activities of the Academy are co-ordinated and organised by the Special Investigation Service of the Republic of Lithuania (STT) and supported by volunteering experts from the public and the private sectors.

The idea behind this platform is to give the floor to highly experienced and competent experts, who would be able to share their knowledge in the field of integrity with the participants of the Academy. The participants, namely, public sector organisations, including SOEs, voluntarily join the project, willingly commit to become involved in its activities, share their best practices and benefit from the insights of other participants.

In order to participate in the Academy, public organisations must first submit a specifically designed form and provide general information about their needs in terms of anti-corruption activities. The Academy (i.e. STT) subsequently assesses the current situation in the participating organisation to identify possible risks of corruption based on a questionnaire, which consists of several blocks, each of them representing a specific element of anti-corruption system in an organisation (e.g. risk management, anti-corruption policy, due diligence, internal audit, public procurement, etc). The submitted answers are then analysed, deficiencies in the anti-corruption system of the participating organisations are highlighted, and, finally, external anti-corruption experts who will act as mentors and assist in improving the anti-corruption system are assigned by the Academy. After one year or any other pre-agreed period, the participants will answer the questionnaire once again. The expectation is that the results will indicate progress in the organisations between the first and the second assessments.

Over 20 public sector organisations have already expressed their intention to become participants of the Academy, while others have expressed their willingness to participate in joint activities such as consultations and trainings, and to share their best practices.

Source: The Integrity Academy, About, <https://skaidrumoakademija.lt/en/about/>.

3.5. Transparency of ownership

Another example showing the gap between the declarations and the actual situation is the fact that, according to all countries, their relevant laws require companies to disclose information about their owners, governing structures, financial performance and anti-corruption measures. Unfortunately – without any significant changes compared with the results of the 2016 survey – responses from business organisations show that:

- The lack of such specific information is one of the major challenges which they face in terms of implementing on-boarding and screening processes for their clients and vendors.
- Establishment of public registries of ultimate beneficial owners remains a major challenge for the governments.

The 2021 pilot monitoring round of five countries (Armenia, Azerbaijan, Georgia, Moldova and Ukraine) showed that only Ukraine currently has a robust system for the collection and publication of the information on beneficial owners of private companies, although it continues to face challenges in terms of ensuring effective verification of this information and applying dissuasive sanctions for the violations of the relevant rules. Moldova is the only other country to have introduced public disclosure of beneficial ownership information, but this was done very recently and it is not yet clear how the relevant legislative provision is implemented in practice. In the other three countries, disclosure of beneficial ownership is limited to the situations where designated institutions have to verify the relevant information for anti-money laundering purposes. Armenia is currently piloting public disclosure of beneficial ownership information in the mining sector and is planning to extend the system to all companies registered in the country in 2023.

Box 3.10. Disclosure of Beneficial Ownership Information in Ukraine

In Ukraine, self-declared information about beneficial owners is registered and publicly disclosed online in via a central register. The information must include the nature and the extent (level, degree, share) of beneficial ownership (benefits, interests, influence). With a few very narrow exceptions, all legal entities are obliged to maintain up-to-date information on their ultimate beneficial owners and ownership structures, and to update this information regularly. A beneficial owner is defined as “any natural person exerting decisive influence (control) over the client’s activities and/or over a natural person on whose behalf the financial transaction is conducted”) (Item 30 Part 1 of Article 1 of Law No. 361).

This information is registered and publicly disclosed online via the United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine (the “United State Register”), an open and centralised online company register established, maintained and overseen by the Ministry of Justice (which is also responsible for issuing fines for non-compliance). All information is accessible in a machine-readable (open data) and searchable format, and free of charge – apart from registration numbers of taxpayers’ registration cards and passport numbers which are only made available upon the payment of a nominal fee (along with access to historical company information, including paper records).

Source: OECD (2022f), Anti-Corruption Reforms in Ukraine: Pilot 5th Round of Monitoring Under the OECD Istanbul Anti-Corruption Action Plan, <https://doi.org/10.1787/b1901b8c-en>.

3.6. Auditing requirements

External audit requirements are also worth mentioning. All countries declared that, with reasonable limitations (e.g. depending on a company’s size, volume of operations and turnaround), accounting and audit regulations require companies to conduct external audits. However, only in 27% of the cases do the relevant regulatory acts require auditors to report suspicions of integrity breaches and corruption both internally and externally. Moreover, it is very common for the auditors to report to general managers, rather than to independent boards or audit committees, and to rely on the information (such as explanations and justifications related to managerial decisions and judgement) provided by the management of the audited organisations. Finally, even when suspicions provided by the auditors are escalated to the enforcement

bodies, those bodies are not, in most cases, in a position to start official investigations because of the lack of resources or lack of focus on business integrity issues.

Box 3.11. External audits of SOEs in Ukraine

The IAP 5th round of pilot monitoring report on Ukraine emphasised that despite the lack of established and independent supervisory boards and permanent, competitively appointed CEOs across the SOEs, external audit of SOEs is clearly an area that has been prioritised by the authorities and company leaderships in recent years, and that considerable progress has been made.

In 2020, IFRS audits conducted by independent external auditors were completed in the largest SOEs, including Energoatom, Naftogaz, Ukrenergo, Ukrzaliznytsia, Ukrhydroenergo, Boryspil and Ukrposhta. Ukroboronprom was still in the process of bringing its external audit record ‘up to date’. However, the SOEs in Ukraine could not provide any documentary evidence that their supervisory boards routinely review external and internal audit reports and take decisions regarding integrity issues in the company’s operation.

On 20 June 2022, the Parliament of Ukraine (Verkhovna Rada) adopted the Anti-Corruption Strategy 2021-25. The Strategy aims to close the existing loopholes in the field of auditing requirements in order to improve the governance of SOEs. To this end, the Strategy foresees among the expected results:

- Annual independent audit of the public sector economic entities that are of strategic importance for the economy and security of the state
- Periodic revision of the criteria for mandatory independent audits and establishment of supervisory boards in public sector economic entities, taking into account the level of corruption risks and the level of corruption in the economic sector
- Requirement for internal auditors to report instances of corruption and corruption-related offenses as prescribed by legislation.

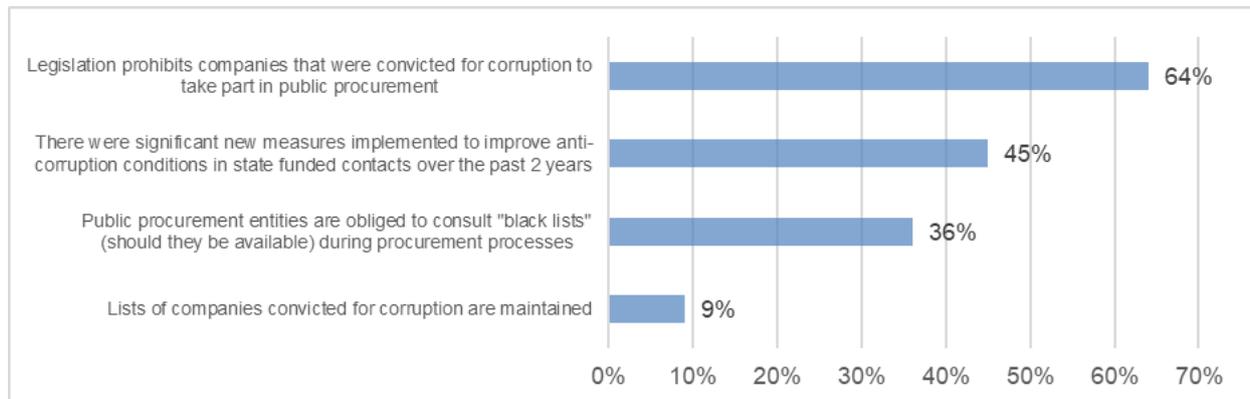
Source: Verkhovna Rada (2022), Law of Ukraine “On the Principles of the State Anti-Corruption Policy for 2021-2025” <https://nazk.gov.ua/en/anti-corruption-strategy/>; OECD (2022e), Anti-Corruption Reforms in Ukraine. 5th Round of monitoring of the IAP. Pilot, <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-ukraine-b1901b8c-en.htm>.

3.7. Public procurement

Due to the importance of **public procurement**, the survey contained a special section on anti-corruption provisions in publicly funded contracts.

According to their answers, 45% of governmental institutions held a very positive view of the measures implemented over the preceding two years in order to improve anti-corruption clauses in state-funded contracts.

Figure 3.4. Development of business integrity measures in public procurement processes



The study also sought to establish whether legislation prohibits companies convicted for corruption to take part in public procurement. Only 64% responses were positive on this matter. Moreover:

- In only 36% of the cases are all public procurement entities obliged to consult a list of such companies during their procurement processes.
- In only 9% of the cases did the governments confirm that lists of companies convicted for corruption are maintained at all.
- Registries of companies that are "black-listed" were not identified in any of the responding countries.
- The respondents did not have information about the cases of corruption detected in public procurement over the past two years or about the sanctions applied.

Box 3.12. Typology of corruption schemes in public procurement

In 2021, the National Agency on Corruption Prevention (NACP) of Ukraine published a complex analysis of systemic corruption risks and schemes in public procurement. The study provides an insight into the elements of procurement procedures most susceptible to corruption, a checklist of corruption red flags for internal procurement units of state bodies and businesses, as well as recommendations for minimising corruption risks in procurement.

Among the main risk factors that facilitate corruption in public procurement, the report identifies lack of integrity and discretionary powers of public officials involved in decision-making. Moreover, the lack of comprehensive policies and procedures that provide for effective planning, organisation and implementation of public tenders facilitates corruption during such tenders. Absence of a holistic analysis and monitoring of public procurement are further factors contributing to the problem.

According to the study, corruption schemes vary at each stage of the procurement process, but they usually include, among others, the following elements:

- Artificial inflation of price and quantity/volume of purchased goods and services to limit competition
- Tenders and purchases of unsolicited or superfluous services and goods
- Discriminatory qualification criteria, unjustified requirements to submit unnecessary additional documents, terms concerning technical specifications designed to narrow competition
- Lack of supplier-neutral qualification requirements and tender conditions tailored for a pre-determined supplier
- Use of sidestep procurement procedures (e.g. negotiation procedure) through the manipulation of the scope of Law on Public Procurement
- Lack of proper verification of bidders and award of contracts to non-compliant bidders
- Unjustified conclusion of additional agreements during the implementation of the contract and undersupply of goods (works/services) or supply of goods that do not meet the terms of the contract.

Source: NACP (2021), Typical Corruption Risks in Public Procurement; <https://nazk.gov.ua/wp-content/uploads/2021/03/Typovi-koruptsiyni-ryzyky-v-publichnyh-zakupivlyah-2.pdf>.

Based on the answers provided above, there is a clear **lack of a systemic and structured approach** that would make it possible to co-ordinate the work of different agencies in terms of preventing the entities convicted for corruption from bidding for public contracts.

Box 3.13. Debarment lists of multilateral development banks

Debarment makes it possible to ban companies from accessing public funds. While being an effective penalty, it also has a deterrent effect on companies that are seeking official development assistance (ODA) or want to participate in public procurement procedures.

The debarment lists of sanctioned companies, which are developed by multilateral financial institutions (MDBs, such as World Bank, EBRD, ADB, etc), the European Union and the United Nations, provide good examples of centralised systems for the blacklisting of corrupt companies. For instance, the World Bank keeps a list of individuals and companies that are debarred and, therefore, are ineligible to participate in the World Bank-financed, administered or supported activities during a fixed period of time. The debarment lists of other MDBs are organised following the same model and scope of ineligibility. Information on the types of sanctions, the lapse date and the grounds is usually published on the websites of relevant institutions.

In addition, in July 2011, the Agreement for Mutual Enforcement of Debarment Decisions was introduced by the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the African Development Bank. As a result of cross-debarment measures, a company is blocked from accessing projects of all of the above mentioned MDBs, if it was debarred by any of these financial institutions.

In general, a company is blacklisted based on a conviction for fraud or corruption or money laundering. In some cases, evidence that corruption has occurred is sufficient for adding a company to the register of debarred entities.

At the EU level, the EDES Database lists persons or entities excluded from contracts financed by the EU budget, among others, on the grounds of fraud, corruption, participation in a criminal organisation, money laundering or terrorism financing.

The practice of development of publicly available lists of debarred companies is extremely rare in ACN countries, but some types of debarment lists are being developed. For instance, in Ukraine, the Anti-Monopoly Committee publishes a register of blacklisted companies, but the main criterion for debarment is based on collusive practices. The recent legal amendments to the Law of Ukraine on Public Procurement introduced administrative liability for concluding a contract with a bidder from the debarment list. Previously, there was no obligation to verify whether a company is banned or suspended from participation in tenders.

In Latvia, the Ministry of Foreign Affairs introduced in 2020 the screening of ODA project applicants and their partners in the debarment lists of the World Bank and the European Bank for Reconstruction and Development (EBRD), as well as the national and international sanctions lists. However, a follow-up report on implementing the OECD Anti-Bribery Convention by Latvia noted the fact that Latvian procuring authorities are not obliged to routinely check debarment lists of multilateral development banks or to conduct comprehensive due diligence before awarding a procurement contract.

Source: Derzh Zakupivli (2021), AMCU's Blacklist: What the Customer Should Know; <https://www.dzakupivli.com.ua/article/453-chorniy-spisok-amku-shcho-ma-znati-zamovnik>; OECD (2021a), Implementing the OECD Anti-Bribery Convention. Phase 3 Two-Year Follow-Up Report: Latvia, <https://www.oecd.org/corruption/Latvia-phase-3-follow-up-report-en.pdf>; The World Bank. Procurement – World Bank Listing of Ineligible Firms and Individuals.

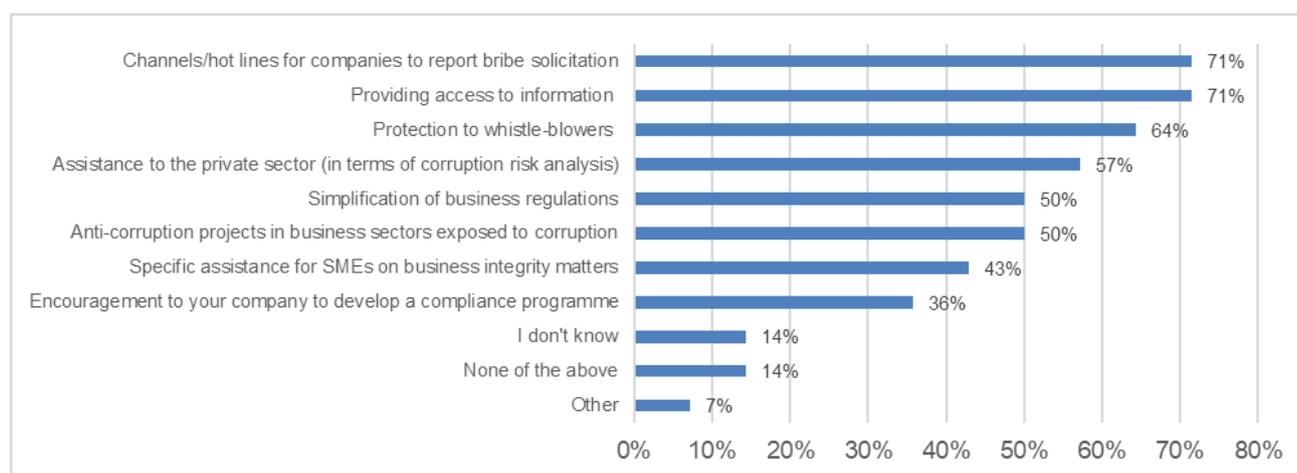
3.8. Private sector's views on and awareness of government actions to promote business integrity

Responses suggest that, overall, business organisations and associations have a positive view of the actions which the governments have taken in order to create an environment that would be conducive to anti-corruption efforts and promotion of business integrity principles. In general, business organisations support the governments' efforts to strengthen anti-corruption law, company law, anti-monopoly law, labour law and others, and acknowledge their positive impact on the development and promotion of integrity and compliance practices in their countries. Such position of business organisations should encourage the governments to take further steps in this area.

Most business organisations acknowledged that, in addition to establishing regulatory acts, governments have made efforts to provide access to the relevant information (e.g. company registries, information on ultimate beneficial owners, shareholders, etc.), to create nation-wide reporting channels, and to strengthen the protection of whistleblowers. Recognition and support is given to business associations and NGOs which are seen as contributing to **industry-specific corruption risk assessments, development of tailored tools (e.g. templates and guidance materials), and training focused on business integrity and compliance.**

Figure 3.5. Awareness of measures taken by governments to promote business integrity in private sector

Is your company aware of measures taken by your government to promote integrity in the private sector?



The above developments are a **positive change compared with 2016** in terms of co-operation between governments, businesses, business associations and NGOs.

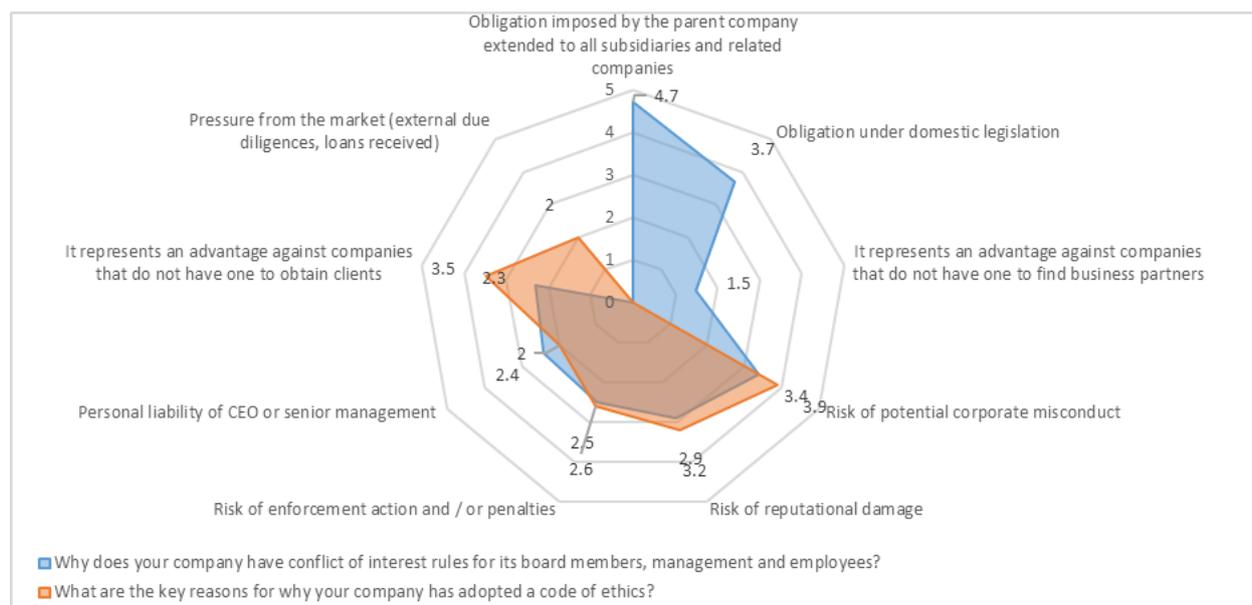
4 Measures taken by companies and business associations in the field of business integrity

Beyond the key business integrity risks and government efforts to promote BI culture discussed in previous sections, the survey also focused on the measures taken by companies to protect themselves from corruption risks.

4.1. What motivates companies to implement anti-corruption measures?

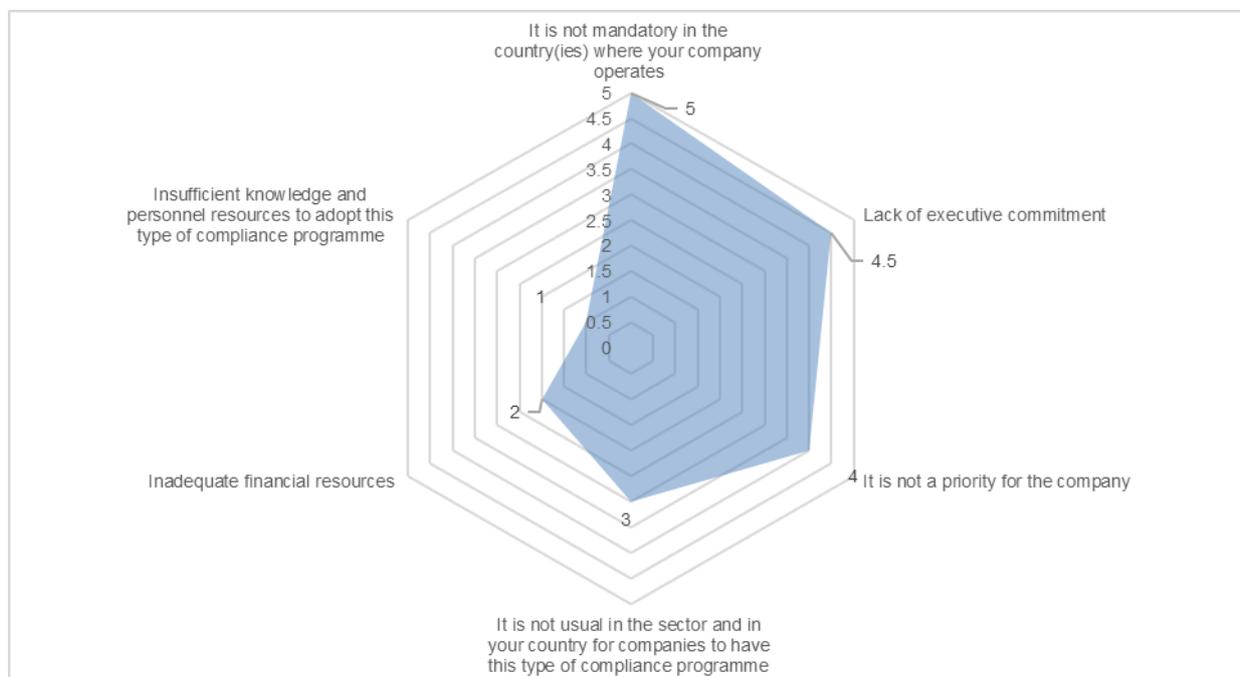
According to the companies' answers, key reasons behind the adoption of codes of ethics, conflict of interest rules and relevant reporting tools are related to the management of reputational damage risk, potential corporate misconduct, as well as the risk of enforcement action/penalties and personal liability of CEOs or senior management. Interestingly, compared with the 2016 responses, **development of business integrity practices is increasingly seen as a potential booster of competitive advantages** against companies that have not established relevant policies and procedures.

Figure 4.1. Key reasons to adopt code of ethics and/ or conflict of interest rules



For the companies which do not have either of the policies in place, a lack of state-level enforcement and of executive commitment were identified as the main arguments for not investing in the development of business integrity systems inside companies.

Figure 4.2. Key reasons NOT to have conflict of interest rules adopted



Importantly, a majority of companies (79%) said that they would refuse to pay bribes or commit other illegal actions even if pushed to do so. In such situations, 50% would choose to seek advice from their lawyers or report such instances via hotlines or other anonymous reporting mechanisms, while 43% would report such cases to the law-enforcement authorities.

Box 4.1. Private sector response to perceived risks: Example from Türkiye

Guler Dinamik Customs Consultancy Inc. (GD) was established in the early 2010s and was showcased in the study Business Integrity in Eastern Europe and Central Asia 2016 for its success in implementing a robust compliance programme. In 2020, the company was rebranded as “Digital Customs Services” to reflect their fully digitalised and integrated business model. DCS has established a robust and multi-façade compliance programme for the management of its integrity and sustainability risks. The company is among the first ones to be ISO37001-certified in Türkiye. It is a signatory to the UN Global Compact and the Turkish Customs Brokers’ Ethics Declaration, as well as a member of the B20 Integrity and Compliance Taskforce, the B20 Digital Transformation Taskforce, and the Ethics and Reputation Society of Türkiye, and has been certified by Ecovadis. DCS serves many global brands such as Amazon, Adidas, Atlas-Copco, DB Schenker, Schneider and Honeywell, and considers its compliance programme not only a robust risk management tool but also a competitive edge in serving its global clients.

Türkiye currently has a limited regulatory framework on compliance, fight against corporate corruption and prevention of fraud to enhance fair market conditions for the private sector. Existing rules apply only to listed companies (via the Capital Markets Board’s Corporate Governance Communiqué) and are not comprehensive enough. Although international companies operating in Türkiye have compliance programs based on high regulatory and ethical standards, in most cases, they are facing challenges in terms of extending them to local third parties/stakeholders. Customs Brokerage is an industry where any non-compliant behaviour of the broker directly affects their clients, causing sizeable fines, loss of business and reputational damage. At the same time, a customs consultant is liable before the law for the transactions to the same extent as the company on whose behalf they act. As a result, customs consultancy companies need to be very careful about the integrity of the data that clients provide in order to avoid penalties and charges. Even minor mistakes can turn into complex customs issues, resulting in heavy penalties for the importing company and its customs representative.

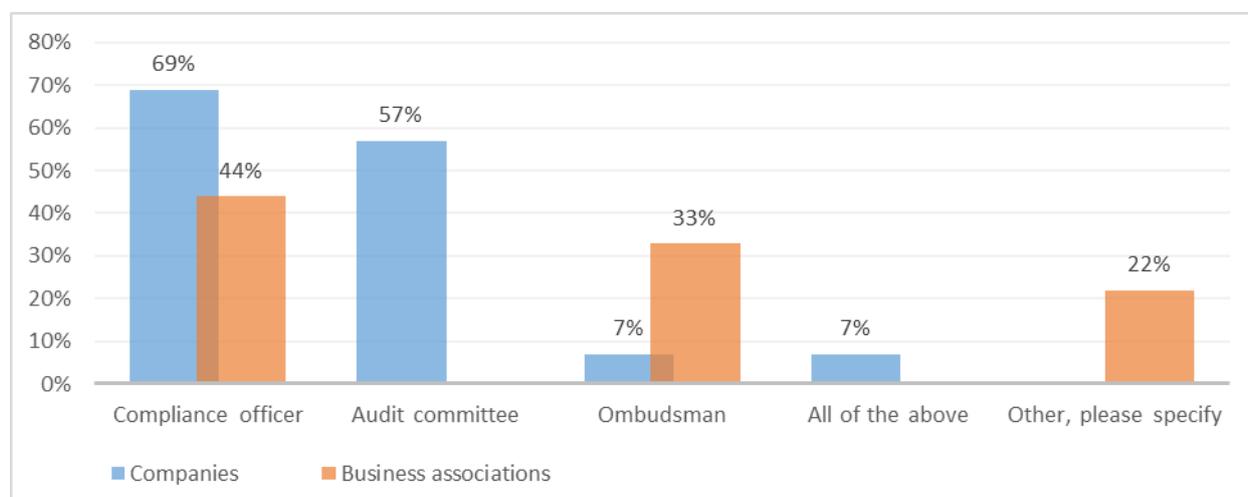
Source: Guler Dinamik Customs Consultancy Inc. Co., <http://www.gulerdinamik.com.tr/index.php/en/company/about-us.html>.

4.2. Company-level measures to prevent and detect corruption

The responses show that a majority of companies have established **audit committees** (57%) and/or appointed **compliance officers** (69%).

Figure 4.3. Organisational bodies / structures responsible for compliance in companies

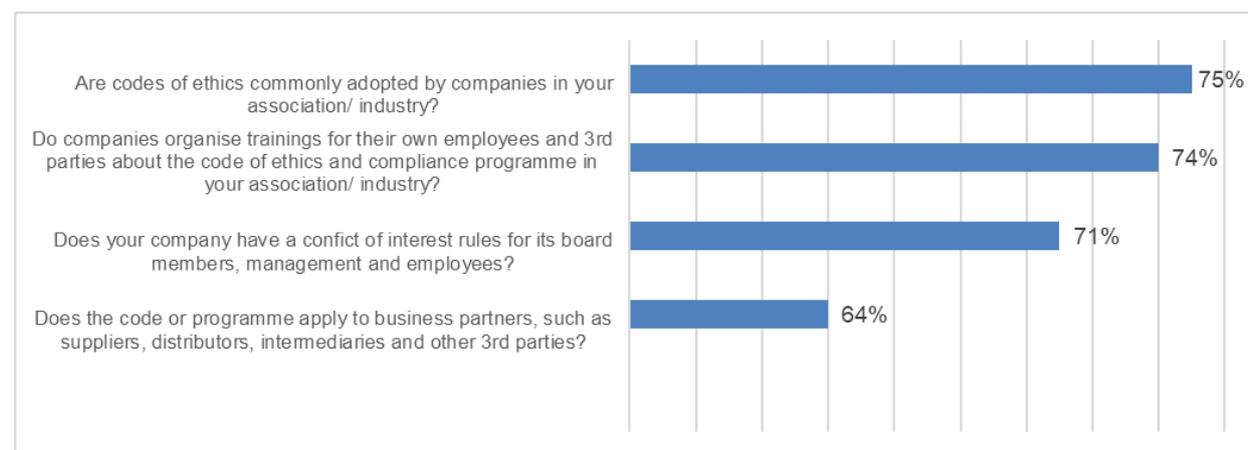
Does your company have any of the below?



Also, 86% of companies have a **code of ethics** and 71% have **conflict of interest rules** for their board members, management and employees. **Reporting channels for employees** are established in 64% of cases, mainly in the form of internal telephone hotlines, email addresses or websites. It is also encouraging to see that:

- In 79% of companies, whistleblower protection is offered to employees.
- In 64% of cases, business integrity codes and programmes apply not only internally, but are also extended to business partners (such as suppliers, distributors, intermediaries and other 3rd parties).

Figure 4.4. Availability of code of ethics, compliance programmes, conflict of interests rules and compliance trainings



In terms of the content of compliance programs, most of them cover anti-corruption rules (71%), ethics and anti-money laundering (57%) and responsible business conduct and governance (50%).

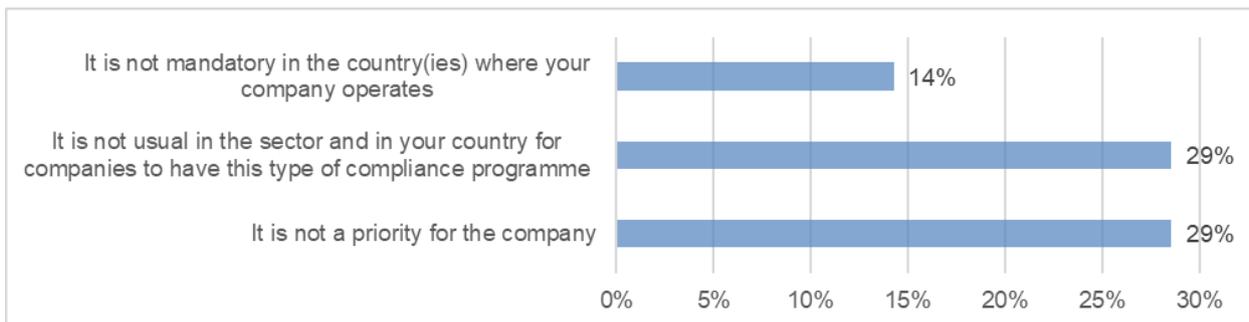
Figure 4.5. Structure and elements of compliance programmes

Which of the following are included in your company's compliance programme?



It is, however, uncommon for the companies to conduct audits of compliance programs: only in 36% of cases had such audits been performed at least once. All of these cases involved international companies where this requirement had been established by parent companies. In terms of the reasons for not performing compliance programme audits, the answers highlighted the fact that compliance audits are not considered a priority by companies, or are not mandatory or common in specific industries or countries.

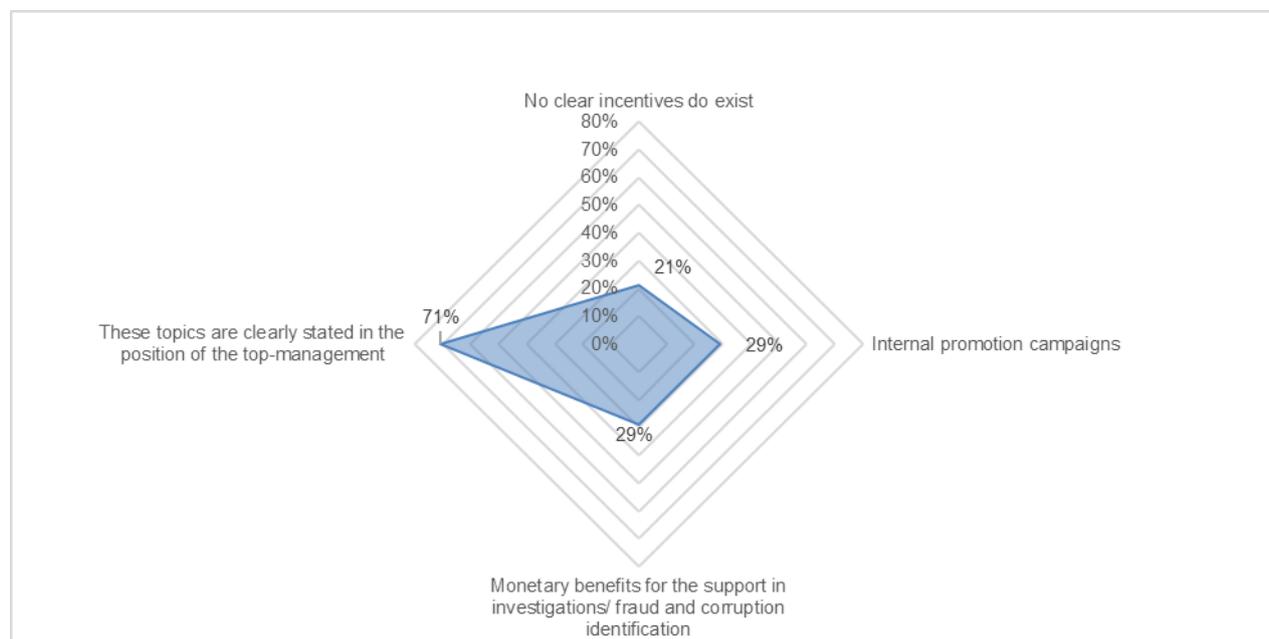
Figure 4.6. Key factors for not having compliance programme audited by external parties



According to over 70% of respondents, their board members, management and employees can be held responsible for integrity breaches. Most companies (71%) have clear statements in top management positions with regards to anti-bribery, compliance and business integrity and invest in training covering topics of compliance and codes of conduct not only for their own employees but also for third parties (64%). It is important to note, however, that the most advanced companies are likely to have responded to the questionnaire, so the situation can be expected to be worse in typical companies of the respective business communities.

Figure 4.7. Incentives for compliance

What are the incentives for compliance?

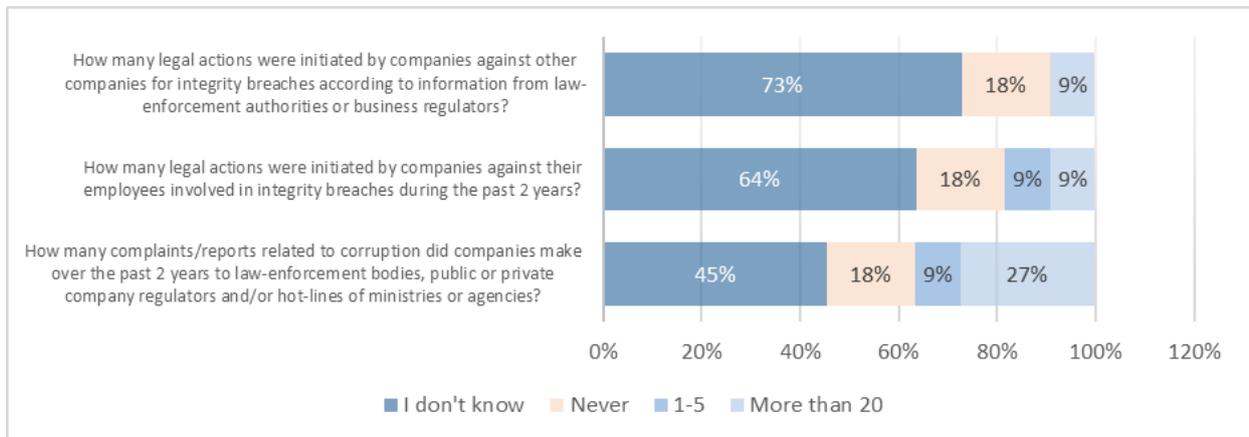


4.3. Internal enforcement, external reporting and legal action

Responsibilities for conducting internal investigations are clearly defined and assigned to dedicated bodies – such as audit committees, boards, compliance or ethics departments – in most of the companies surveyed.

However, in practice, a majority of **companies had not carried out any investigations or applied sanctions against employees involved in integrity breaches**. In the companies where the investigations did take place, their number was limited to one to two cases over a two-year period. A **similar trend and numbers were observed with regard to legal actions taken against other companies** for integrity breaches. It is quite uncommon, too, for companies to report such cases to the relevant authorities. Company responses were also rather sceptical regarding the establishment of compliance reporting tools: Even where introduced, they are used rarely (if at all).

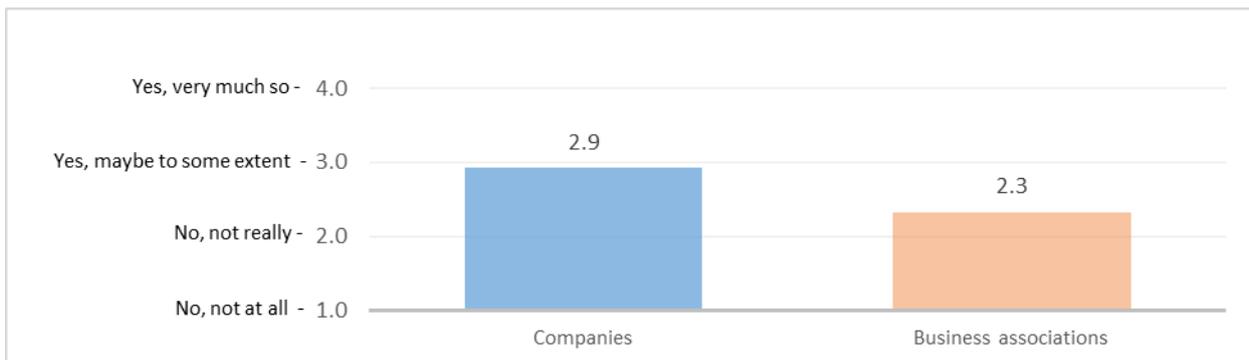
Figure 4.8. Actual use of legal actions and reporting tools available



Overall, there appears to be limited confidence in the effectiveness of the implemented integrity measures.

Figure 4.9. Effectiveness of compliance measures established

How would you evaluate the effectiveness of compliance measures established?



Box 4.2. Supporting Business Integrity among SMEs in Eastern Europe and Central Asia: CIPE's Perspective

Despite SMEs' central role in advancing economic development, their compliance efforts are often limited. Center for International Private Enterprise (CIPE) has observed that SMEs operating in full compliance with local laws and requirements often complain that following such requirements is difficult and puts their competitive edge at risk due to unfair competition from informal or non-compliant peers.

In response to increasing demand from the partners searching for concrete examples of SMEs that managed to do business ethically under challenging working conditions, CIPE conducted a study in 2021 and finalised seven accounts of ethical business conduct by SMEs. CIPE has observed that SMEs who adopt official ethics and compliance positions are often first directed to do so by larger companies with whom they do business. While such influence could be positive, the downside is that smaller companies frequently end up copying compliance materials from larger firms without proper consideration for their own unique integrity risks and respective mitigation measures. Unsurprisingly, SMEs often perceive compliance as an additional burden that does not bring any immediate benefits. It is therefore critical to support SMEs with developing specific business integrity and compliance measures that address their unique risks and respond to their needs.

Below are listed specific takeaways that CIPE identified in each SME story:

1. Building a strong reputation for ethical business conduct and engaging in collective action through a local business association was instrumental for a small hospitality and tourism company in Moldova to manage integrity risks and spearhead necessary reforms.
2. A strong commitment to business ethics helped a small family-owned pharmacy in Armenia build a loyal customer base and strengthen its business despite unfavourable market conditions caused by unfair competition from large monopolistic firms and a lack of proper regulatory enforcement.
3. Through creativity, innovation, and transparency, a medium-sized co-working management company in Kyrgyzstan was able to expand its operations and attract foreign investments, while offering a business integrity-focused entrepreneurship course to young entrepreneurs.
4. A medium-sized Croatian IT company identified new business opportunities when rejected a potentially tainted deal with short-term benefits and managed to attract and retain talented and high-performing employees as a result of its business integrity-focused selection and onboarding programme for new employees.
5. Due to its commitment to operating in full compliance with local requirements, a small advertising and signage company in Albania was able to retain and pay highly skilled workers and effectively manage risks posed by the COVID-19 pandemic through receiving government aid.
6. A medium-sized transportation and translation company in Ukraine was able to achieve robust growth despite struggling with complex and burdensome fiscal regulations and worked together with a local business association to advocate for fair taxation and additional policy reforms.
7. A small printing company in Bosnia and Herzegovina became a leading player in the national paper and printing industry by consistently making ethical choices and maintaining professional and ethical relationships with both public and private sector partners.

Source: CIPE (2021), *Doing Business With Integrity: Stories from Small and Medium-Sized Enterprises in Europe and Eurasia*, <https://www.cipe.org/wp-content/uploads/2022/04/Doing-Business-with-Integrity-CIPE-CAI-April-11-2022.pdf>.

4.4. Actions by business Associations

When it comes to the promotion of business integrity practices, **business associations focus mostly on implementing business integrity projects jointly with governments**, actively participating in integrity risk studies, trainings and awareness raising campaigns, and supporting collective actions that would bring companies, NGOs and governments together.

Box 4.3. Integrity initiatives by business associations

North Macedonia

ICC Macedonia, national office of the International Chamber of Commerce (ICC), has established the national ICC Anti-Corruption Business Coalition, uniting all relevant stakeholders from the public and the private sectors. ICC Macedonia acts as the secretariat of the initiative which aims to support the work of the relevant institutions and create partnerships in the fight against corruption through various actions and a constructive dialogue with the government and other stakeholders. The initiative builds on the ICC's extensive experience of promoting business integrity globally. The coalition's activities are also seen as part of the country's wider efforts on its path to EU membership.

Together with ICC the Netherlands, ICC Macedonia has organised the Week of Integrity, a national awareness-raising campaign on the importance of business integrity. According to its official website, the Week of Integrity aims to “draw attention on the importance of integrity by promoting ethical behaviour not only in business but in the workplace, with the governmental bodies and social organisations being active players.”

Albania

ICC Albania has organised the Week of Integrity since 2019. This initiative, which aims to foster the exchange of knowledge and stimulate the debate on integrity, is funded by the Embassy of the Kingdom of the Netherlands in Albania under its MATRA programme. ICC the Netherlands is the initiator and organises the national Week of Integrity since 2016. The Week of Integrity or “Java e Integritetit” in Albania takes place from 1 until 10 December, in observance of the UN International Anti-Corruption Day. This multi-stakeholder platform brings together around 55 participants from the government, the media, the business community, the youth and the civil society. Throughout the year, the network regularly meets, exchanging thoughts and ideas on integrity policies and specific issues, resulting in lively discussions. The Week of Integrity itself consists of a week of activities, organised by the partners, which highlight the importance of integrity.

According to ICC Albania Chair Bilgen Aldan, “rules and systems do not work automatically. Governance, compliance and transparency alone are not enough. Leaders, whether they are in private or public sectors, in civil society, media or academia, play a vital role in endorsing policies, shaping values and behaviours into models for their business operations. The Week of Integrity in Albania has been the right platform for us leaders to learn, speak up, engage in collective actions and ask for change.”

Source: Week of Integrity (b), Anti-Corruption Business Coalition, <http://integrity.mk/about/>; Week of Integrity (a), Albania, About, About – The Week of Integrity Albania, <https://weekofintegrity.al/about/>.

The recently launched Business Integrity Club in Armenia (see Box 4.4) is an example of a private sector-led collective integrity initiative. The activities of the Ukrainian Network of Integrity and Compliance (UNIC) provide a further example (see Box 4.5).

Box 4.4. Business Integrity Club in Armenia

The Business Integrity Club is the first private sector-led collective action initiative of the Armenian business community to improve Armenia's business environment by promoting a culture of integrity and implementing corporate governance standards.

The Club's first meeting took place on 5 February 2021 under the leadership of Armenia's Corporate Governance Center (CGC), which serves as the Club's secretariat. The Club's activities are supported by the Center for International Private Enterprise (CIPE).

The goal of the Business Integrity Club is to improve the transparency and accountability of Armenia's business environment, stimulate inclusive economic growth and thereby support the inflow of constructive capital, defined as rule of law-driven investments that are market-oriented and follow best governance practices.

Figure 4.10. Business Integrity Club in Armenia



Source: Corporate Governance Center, Business Integrity Club, <https://corpgov.am/en/projects/2021/08/09/business-integrity-club>.

The Club's motto is "Integrity, Trust, Investments" and its main activities include:

- Awareness-raising events for members on the issues related to corporate governance, integrity and anti-corruption compliance
- Capacity building sessions for Club members, including review of the members' corporate governance systems
- Improved co-operation between Armenia's public and private sectors
- Advocacy support to promote reforms that incentivise the implementation of business integrity and corporate governance standards by both the public and private sector stakeholders, among other legislative initiatives.

The Club currently has over 30 members who meet regularly, usually monthly, to discuss key issues affecting business integrity and develop advocacy priority. Any private sector entity can become a Club member once it signs and adopts CGC's Anti-Corruption Declaration and the Membership Rules which will go into effect in the beginning of 2022. The CGC will also begin conducting an annual review of the Club's members in 2022. The review will include the assessment of the degree of implementation of the Anti-Corruption Declaration and the compliance with the Membership Rules.

Source: Corporate Governance Center, Business Integrity Club, <https://corpgov.am/en/projects/2021/08/09/business-integrity-club>.

Box 4.5. Business Integrity Academy in Ukraine

The idea of organising Business Integrity Academy of the Ukrainian Network of Integrity and Compliance (UNIC) was discussed among the UNIC Secretariat employees as well as the UNIC Executive and Ethics Committees almost from the UNIC inception, as the demand for compliance training grew constantly. UNIC employees held different types of integrity and compliance events (The Business Integrity Week/Month, educational discussions with the experts, etc.) and planned to set up its own training and development unit – Business Integrity Academy – to continue this activity. However, the launch had to be postponed due to the pandemic.

The Business Integrity Academy's official presentation took place on 19 October 2021. The strategy of the BI Academy is mostly focused on three main directions: short-term programs for business professionals to spread the idea of integrity and compliance among the larger target group (e.g. compliance for HR, compliance for sales and marketing, compliance for procurement); a complex, profound course for the compliance officers to prepare experts in accordance with the business and SOEs needs; knowledge update of compliance professionals (mostly, best-practice exchange, networking).

Figure 4.11. UNIC Business Academy Opening



Source: Ukrainian Network of Integrity and Compliance (2021), Business Academy Opening, October, 2021.

Starting from October 2021, two short-term programs were held for around 40 participants in a hybrid format (HR compliance, sales and marketing compliance). On 22 December 2021, together with the OECD, the UNIC Business Integrity Academy conducted online interactive training for SOE representatives which 100 participants attended. The training aimed to test one of the modules for a complex and profound course for compliance officers (investigations) and drew a positive response from SOEs. Despite the online format, participants interacted with each other, worked over the cases and, in addition to listening to the lectures, attended Q&A sessions.

Source: UNIC (2021b), Training at the UNIC Business Integrity Academy has begun, <https://unic.org.ua/en/news/navchannya-v-akademiyi-dilovoyi-dobrocheshnosti-unic-rozpochato-291>.

5 Impact of COVID-19 pandemic on business integrity and responsible business conduct across the region

The pandemic has had a profound effect on every country and on most industries and individual business organisations. This unprecedented global shock prompted companies to rethink their modes of operation.

The impact of COVID-19 has been felt in different areas, starting with social distancing, virtual business meetings, and reorganisation of the supply chain management principles, and ending with the revision of national business strategies. The survey therefore also addressed the question of how the pandemic affected business integrity and responsible business conduct from the perspective of business communities and governments.

Figure 5.1. Impact of the pandemic on business integrity risks

Have business integrity risks increased during the COVID-19 crisis? (“YES” answers presented)

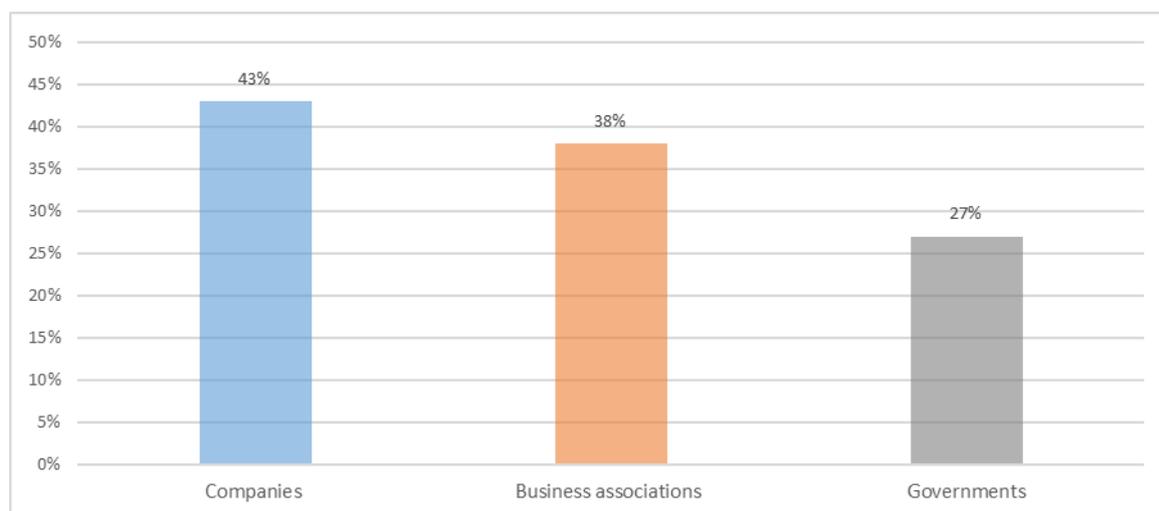
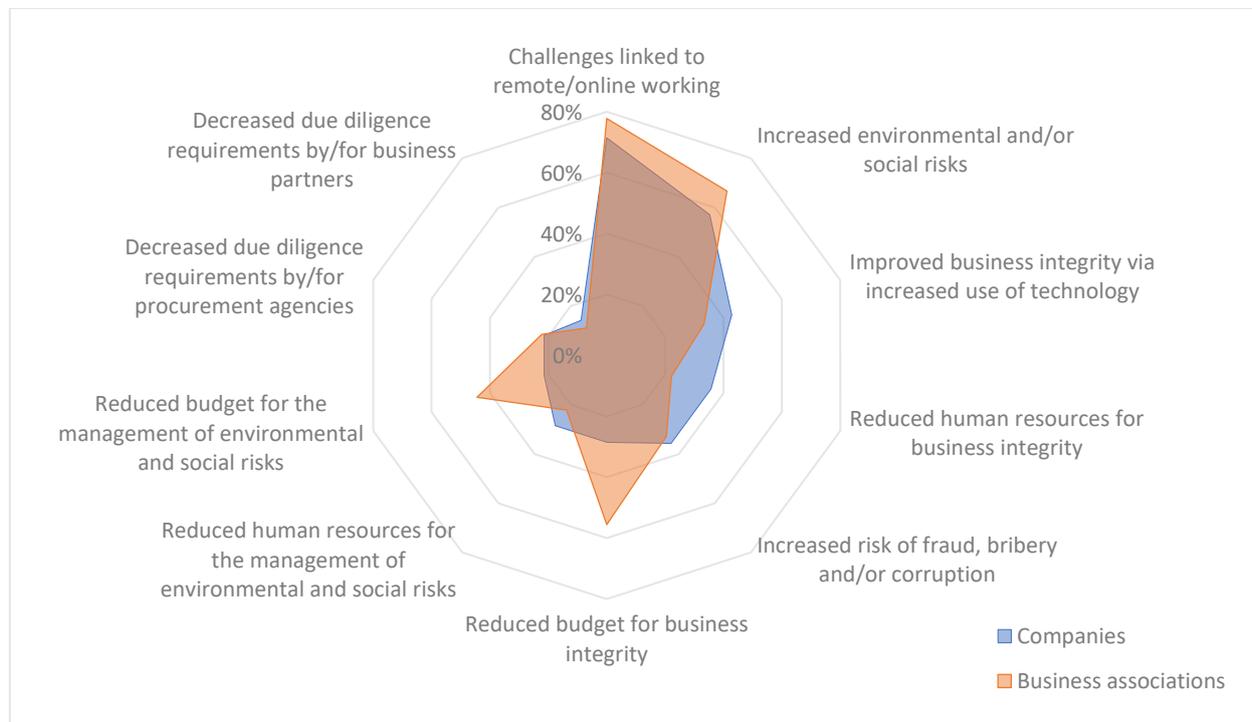


Figure 5.2. Impact of the pandemic on business integrity risks 2

What impact has COVID-19 had on your business integrity and/or responsible business conduct framework?



While there is a widespread discussion of the impact of the pandemic on business integrity, **only 27% of government representatives and 38% of business associations participating in the survey agreed that business integrity risks increased during and because of the pandemic.** Survey answers suggest that the biggest challenge and impact on business was related to **remote and online working (71%) as well as the risks linked with social distancing and the blurring of the sense of commitment (57%).** Industries which faced the biggest financial challenges also saw **a reduction in the budgets and human resources allocated for business integrity (36%).**

On the positive side, business organisations said that the **business integrity climate has partially improved due to the increased use of technology (43%) which brought more transparency** and audit trail to the decision making processes within organisations. However, survey responses also indicate that digitalisation mostly touched business processes, while the digitalisation of compliance practices is still largely missing and underutilised, raising some important questions on what the future of compliance efforts could and should look like.

Nevertheless, despite the internal challenges both on financial and business integrity ends, companies participating in the survey noted that, in most of the countries covered by the survey, pandemic-related **public spending and financial support from governments and various international organisations has increased dramatically.** Throughout the region, most of the governments have arranged various public procurement processes and most of such cases raise questions regarding associated business integrity risks. This could be one of the key reasons why over half of business organisations confirmed that changes in business integrity frameworks will have to be adjusted to focus more on the selection of partners and participation in publicly financed projects.

6 Conclusions and recommendations

The survey demonstrated that all key stakeholders – governments, business associations and companies – recognise that stronger business integrity can produce greater competitiveness and general well-being for countries, industries and companies. Compared with the results of the 2016 survey, there is now more awareness and attention to the issues of business integrity among the governments and the private sectors in the region. Unfortunately, this remains mostly limited to the understanding of the significance of business integrity risks in general and, at best, the procedures which need to be implemented, while actual implementation of appropriate business integrity tools and evaluation of their effectiveness are still mostly missing.

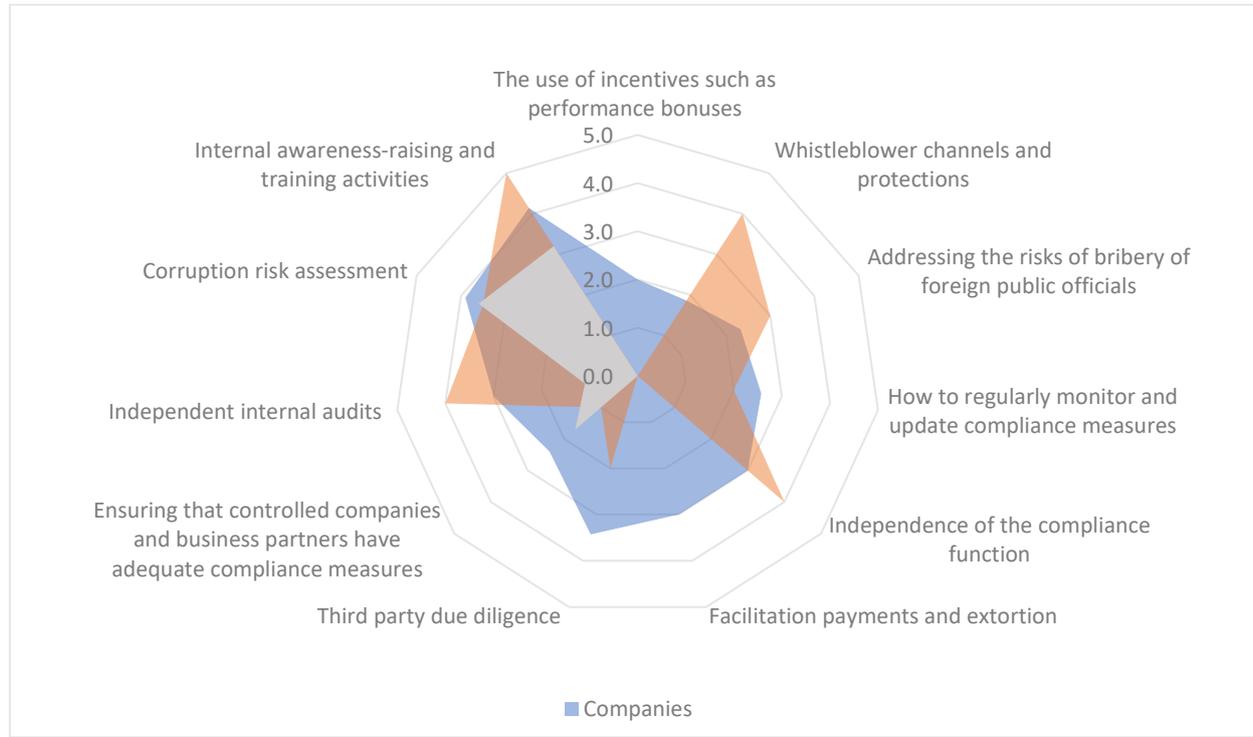
It is also evident that, in most cases, declarations are more common than actual application of business integrity practices. Moreover, despite all the implemented tools, applied procedures and conducted trainings, most companies and business associations still say that compliance-related measures established in the public and the private sectors lack relevance and effectiveness.

Numerous gaps and deficiencies in both the public and the private domains were identified and highlighted in the survey, from a lack of attention to the fight against high-level corruption and implementation of effective measures in key BI risk areas to legal and organisational gaps in fields such as whistleblower protection. Lack of enforcement by governments is a persisting area of concern in the eyes of the business community, clearly indicating that governments are primarily focused on issues in the public sector (where they continue to face challenges), while the private sector is left without proper supervision, not to mention much-needed support. Last but not least, there is a widespread lack of understanding of the need to establish incentives for business.

In the concluding sections of the survey, participants were asked about critical areas in the field of business integrity and anti-corruption where the relevant stakeholders need support. Internal training and awareness-raising, corruption risk assessment, independent internal audits and independence of compliance function were among the areas highlighted most frequently in their responses.

Figure 6.1. BI/AC needs expressed by governments, business associations and companies

Needs of standards, guidance or training on anti-corruption compliance programmes and other internal measures



6.1. Risk assessment and policy development

The survey and the recent round of IAP monitoring have demonstrated that there is a general lack of understanding of BI risks across the region, mainly due to the fact that few governments have engaged in comprehensive risk-assessment efforts as a prerequisite to the development of their anti-corruption policies and measures. Moreover, some governments appear to hold an overly optimistic view regarding the current state of affairs in their countries, as far as corruption (including private sector corruption) is concerned, while being unaware of both the challenges facing private companies and their efforts to address those challenges. It is therefore important for the governments to:

- Devote more attention to the existing authoritative, independent assessments of the level of corruption in their countries, while also improving communication with the private sector and learning about its anti-corruption efforts and their impact.
- Conduct corruption risk assessments of state institutions which include BI issues.
- Conduct regular BI surveys, and/or use those conducted by the private sector to design or adjust their policies.
- Designate an institution or institutions responsible for the promotion of business integrity.
- Develop and implement programmes to raise awareness of business integrity within the public sector.

6.2. Demand-side measures

According to the survey, private companies consider public authorities and especially high-level politicians a major source of corruption-related risks. Yet, government efforts in this area remain largely inadequate in the region, with few governments prioritizing the fight against high-level corruption. Enforcement of anti-bribery laws and conflict of interest rules tends to be weak. The situation is exacerbated by an apparent lack of trust in the relevant law enforcement authorities among private sector entities: While most of them declare readiness to report corruption, few do so in practice, while whistleblowing channels remain significantly underutilised. To address these issues, governments must:

- Prioritise the fight against high-level corruption, adopt robust conflict of interest rules for politicians, and ensure their effective enforcement.
- Adopt and enforce effective regulations on lobbying.
- Improve enforcement of anti-bribery laws, while also collecting and publishing comprehensive relevant statistics.
- Take steps to increase the private sector's trust in the law enforcement bodies, inter alia by improving the accountability and transparency of those bodies.
- Undertake to raise the awareness of existing whistleblower protection measures and reporting channels among the employees of both the public and the private sectors, while also collecting and publishing relevant statistics.
- Develop non-judicial mechanisms for resolving issues between companies and public administration bodies, preferably by establishing and/or strengthening business ombudsman institutions.

6.3. Improving access to information

Open data is a powerful anti-corruption tool. However, the governments in the region have not fully embraced its potential so far. This failure has hindered the implementation of what could otherwise have been significant anti-corruption efforts. For example, while some governments have moved to ban companies and individuals convicted for corruption from public procurement, this has proved difficult or even impossible to apply in practice due to a lack of unified databases of sanctioned entities which the procuring bodies would consult. Furthermore, the absence of public registries containing comprehensive information on company owners (including beneficial owners) is a major challenge for the companies willing to follow a high standard of integrity by conducting due diligence checks of their potential partners. It is essential for governments to:

- Establish online public registries of company ownership data, including information on beneficial owners.
- Establish online public registries of companies banned from participation in public procurement. Furthermore, it must be mandatory for procuring bodies to check that the entities bidding for contracts are not on such lists.

6.4. Incentivising integrity in private sector

The efforts by governments in the region to promote business integrity have so far focused largely on punitive measures, with little to no attention being devoted to positive incentives. On the rare occasions where such incentives have been introduced, they have usually been linked to the compliance of companies with tax and customs regulations, rather than the establishment of comprehensive internal anti-

corruption programmes. Consequently, companies across the region have demonstrated very limited interest in implementing such programmes or applying for anti-corruption certification. In order to change this trend, it is necessary:

- For the governments to explore various options for integrity incentives for business, including advantages in public procurement, the possibility of non-trial resolutions for compliant companies and of considering effective compliance programmes a mitigating factor in corruption cases
- For business associations to consider accepting only the companies which meet the minimal compliance standards. Such approach would not only contribute to active promotion of BI in respective industries and countries, but could also lead to the improvement of the reputation of business associations themselves.

6.5. Company-level safeguards

As noted above, while companies recognise the importance of compliance and anti-corruption efforts in principle, they rarely devote sufficient attention and resources to the implementation of the relevant measures in practice. As a result, even if compliance programmes are adopted and internal anti-corruption mechanisms are established, they tend to remain non-operational and are almost never employed in practice. The results of the survey suggest that this attitude among companies stems, among other things, from weak enforcement of the relevant laws and requirements by the authorities.

Changing this entrenched mind-set will require action from all key groups of stakeholders:

- Governments need to set clear auditing standards and enforce the rules concerning non-financial reporting, so that company-level anti-corruption efforts are properly audited and accounted for. They must also act as responsible owners of SOEs, ensuring that the SOEs conduct corruption risk assessment, internal awareness-raising and training, have adequate compliance measures and conduct independent external audits.
- Companies must clearly assign the responsibilities for the implementation of compliance measures within their structures, integrate business and compliance process digitalisation to optimise the efforts and avoid costly reorganisations in the future.
- Business associations should assist companies (especially SMEs) through advice and training in developing, adopting and implementing compliance programmes tailored to their specific needs and resources.

6.6. Spreading the knowledge

Given the fact that comprehensive and effective business integrity endeavours are still an exception in the region, it is particularly important to share the information about any successful programmes and measures with the widest possible audience. Moreover, given the limited resources of the majority of private sector entities, access to the experience accumulated elsewhere within the business community will make it more likely that they will engage in integrity efforts of their own. Dissemination of the knowledge about the most effective ways of preventing corruption in the private sector will ultimately benefit all entities operating in the sector by contributing to stronger safeguards and a lower general level of risks.

In order to facilitate experience-sharing:

- Governments must invest in data-driven platforms for the collection and sharing of information on compliance incidents, lessons learned and successful models.
- Business associations must facilitate the sharing of the information regarding successful adoption of internal anti-corruption safeguards between different companies, conduct awareness-raising

work among their members and the wider business community on the importance of rigorous enforcement of internal anti-corruption rules.

- Companies with extensive resources and bigger market power have to become role-models, exercising a broader duty of care and promoting BI standards which they follow either due to the pressures coming from their parent companies and international partners.

References

- CDCJ (2022), *Evaluation Report on Recommendation CM/REC 2014 of the Committee of Ministers to Member States on the Protection of Whistleblowers*, <https://rm.coe.int/cdcj-2022-01-evaluation-report-on-recommendation-cmrec-2014-7p/1680a6fee1>
- CIPE (2021), *Doing Business With Integrity: Stories from Small and Medium-Sized Enterprises in Europe and Eurasia*, <https://www.cipe.org/wp-content/uploads/2022/04/Doing-Business-with-Integrity-CIPE-CAI-April-11-2022.pdf>
- Corporate Governance Center, *Business Integrity Club*, <https://corp.gov.am/en/projects/2021/08/09/business-integrity-club> (accessed 28 June 2022)
- Derzh Zakupivli (2021), *AMCU's Blacklist: What the Customer Should Know*, <https://www.dzakupivli.com.ua/article/453-chorniy-spisok-amku-shcho-ma-znati-zamovnik>
- Gov.br, *Mapa entrega Selo Mais Integridade para 17 empresas e co-operativas do Agro* [Mapa awards 17 agro companies and co-operatives More Integrity Seal], <https://www.gov.br/agricultura/pt-br/assuntos/noticias/mapa-entrega-selo-mais-integridade-para-17-empresas-do-agro>
- Guler Dinamik Customs Consultancy Inc. Co., <http://www.gulerdinamik.com.tr/index.php/en/company/about-us.html> (accessed 28 June 2022)
- NACP (2021), *Typical Corruption Risks in Public Procurement*, <https://nazk.gov.ua/wp-content/uploads/2021/03/Typovi-koruptsiyni-ryzyky-v-publichnyh-zakupivlyah-2.pdf>
- OECD (2016), *Business Integrity in Eastern Europe and Central Asia*, <https://www.oecd.org/corruption/acn/Business-Integrity-in-Eastern-Europe-and-Central-Asia-ENG.pdf>
- OECD (2019), *Guidelines on Anti-corruption and Integrity in State-Owned Enterprises*, www.oecd.org/corporate/Anti-Corruption-Integrity-Guidelines-for-SOEs.htm
- OECD (2020), *Anti-Corruption Reforms in Eastern Europe and Central Asia, Progress and Challenges, 2016-19*, <https://www.oecd.org/daf/anti-bribery/Anti-Corruption-Reforms-Eastern-Europe-Central-Asia-2016-2019-ENG.pdf>
- OECD (2021a), *Implementing the OECD Anti-Bribery Convention. Phase 3 Two-Year Follow-Up Report: Latvia*, <https://www.oecd.org/corruption/Latvia-phase-3-follow-up-report-en.pdf>
- OECD (2021b), *Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions*, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0378>
- OECD (2022a), *Anti-Corruption Reforms in Armenia. 5th Round of monitoring of the IAP. Pilot* <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-armenia-e56cafa9-en.htm>
- OECD (2022b), *Anti-Corruption Reforms in Azerbaijan. 5th Round of monitoring of the IAP. Pilot* <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-azerbaijan-3ae2406b-en.htm>
- OECD (2022c), *Anti-Corruption Reforms in Georgia. 5th Round of monitoring of the IAP. Pilot* <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-georgia-d709c349-en.htm>
- OECD (2022d), *Anti-Corruption Reforms in Moldova. 5th Round of monitoring of the IAP. Pilot* <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-moldova-9bb0367e-en.htm>
- OECD (2022e), *Anti-Corruption Reforms in Ukraine. 5th Round of monitoring of the IAP. Pilot*

- <https://www.oecd.org/corruption/anti-bribery/corruption/acn/anti-corruption-reforms-in-ukraine-b1901b8c-en.htm>
- OECD (2022f), *Anti-Corruption Reforms in Ukraine: Pilot 5th Round of Monitoring Under the OECD Istanbul Anti-Corruption Action Plan*, <https://doi.org/10.1787/b1901b8c-en>
- OECD (forthcoming a), *Insulating SOEs from being used as conduits for political finance, patronage, or personal or related-party enrichment*.
- OECD (forthcoming b), *“Business Ombudsman Institutions in Eastern Europe and Central Asia: Understanding New Trends and Developing Good Practices.”*
- Serious Fraud office (2020), *Evaluating a Compliance Programme*, <https://www.sfo.gov.uk/publications/guidance-policy-and-protocols/guidance-for-corporates/evaluating-a-compliance-programme/>
- The Integrity Academy website <https://skaidrumoakademija.lt/en/about/>
- The Integrity Academy, *About*, <https://skaidrumoakademija.lt/en/about/>
- The World Bank. *Procurement – World Bank Listing of Ineligible Firms and Individuals*, <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>
- Transparency International (2009), *The Anti-Corruption Plain Language Guide*, https://images.transparencycdn.org/images/2009_TIPlainLanguageGuide_EN.pdf
- UNIC (2021a), *Business Integrity Month Opening*, <https://unic.org.ua/en/news/19-zhovtnya-zaprosuyemo-na-vidkryttya-misyacya-csho-rozpochnetsya-z-diskusiyi-top-ceos-na-temu-biznes-etiki-majbutnogo-271/>
- UNIC (2021b), *Training at the UNIC Business Integrity Academy has begun*, <https://unic.org.ua/en/news/navchannya-v-akademiyi-dilovoyi-dobrochesnosti-unic-rozpochato-291/>
- UNIC (2021c), *UNIC Banking Expert Group Was Founded*, <https://unic.org.ua/en/news/stvoreno-ekspertnu-grupu-z-bank-vskogo-napryamku-232/>
- UNIC (2021d), *UNIC Tax Expert Group Is Formed*, <https://unic.org.ua/en/news/navchannya-v-akademiyi-dilovoyi-dobrochesnosti-unic-rozpochato-291/>
- US Department of Justice (2020), *Evaluation of Corporate Compliance Programs*, <https://www.justice.gov/criminal-fraud/page/file/937501/download>
- Verkhovna Rada (2022), *Law of Ukraine “On the Principles of the State Anti-Corruption Policy for 2021-25”*, <https://nazk.gov.ua/en/anti-corruption-strategy/>
- Week of Integrity a, *Albania, About, About – The Week of Integrity Albania*, <https://weekofintegrity.al/about/>
- Week of Integrity b, *Anti-Corruption Business Coalition*, <http://integrity.mk/about/>
- World Bank (2017), *World Development Report 2017: Governance and the Law*, <https://openknowledge.worldbank.org/handle/10986/25880>

www.oecd.org/corruption/acn

