

19 Anti-corruption policy

(Dimension 16)

Controlling corruption is a key condition for strong competitiveness. This chapter on anti-corruption policy assesses the policy strategies, regulations, processes and institutions in the six Western Balkan economies (WB6). It starts with a brief overview of trends and performance in the fight against corruption, including the economies' performance against international anti-corruption indicators. The chapter then focuses on five essential sub-dimensions. The first, anti-corruption policy framework, examines anti-corruption policies: how they are planned, monitored and co-ordinated, including civil society involvement. The second, prevention of corruption, assesses corruption prevention bodies and key policy areas – conflicts of interest, asset and interest disclosure, and protection of whistle-blowers. The third, independence of the judiciary, covers laws, institutions and practices that safeguard the judiciary against undue interference. The fourth, business integrity and corporate liability, considers how private sector actors can be discouraged from corrupt actions and helped to tackle corruption challenges. Finally, the investigation and prosecution sub-dimension considers the readiness and track record of the economies in investigating, prosecuting and adjudicating high-level corruption, including whether there are independent and effective investigation and prosecutorial bodies. The chapter includes suggestions for enhancing policies to tackle corruption in each of these sub-dimensions, which in turn will help foster greater competitiveness.

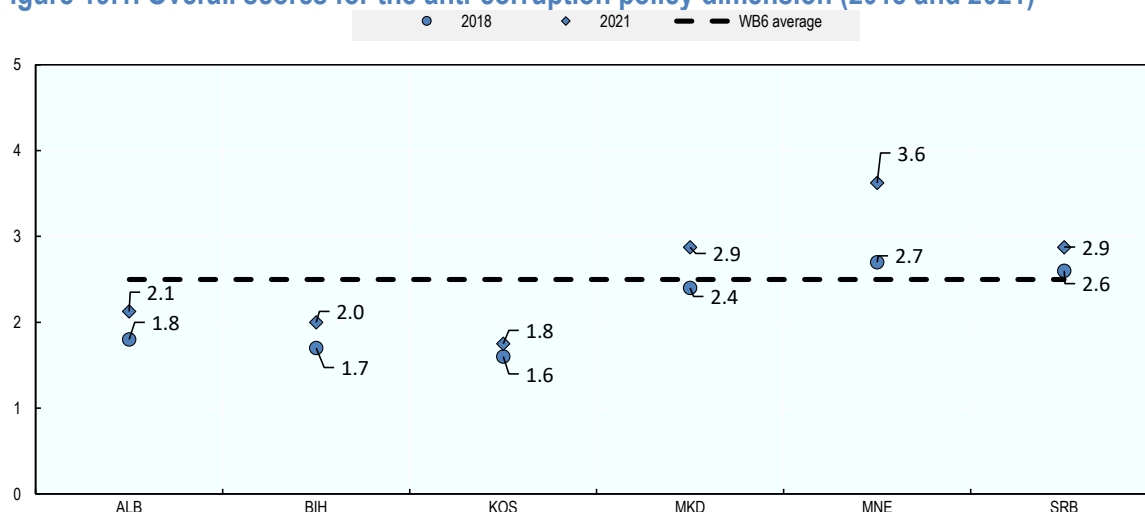
Key findings

- **The general corruption situation in the WB6 region remains as poor as during the Competitiveness Outlook 2018 assessment.** The assessment did find minor but consistent signs of improvement in Montenegro based on several indices and surveys.
- **All WB6 economies have anti-corruption strategies and/or plans, and all of the economies have mechanisms for monitoring the implementation of these policy documents although with different degrees of analytical sophistication.** As of the end of 2020, several of the economies had prepared but not adopted replacements for strategies that had expired.
- **The authorities involve civil society in the preparation of anti-corruption strategies and plans** by holding consultations or including civil-society stakeholders in working groups, but some non-government organisations (NGOs) remain concerned about the lack of responsiveness to their proposals.
- **Most WB6 economies have multi-functional corruption prevention bodies,** which mostly have safeguards of their independence and observe due public accountability, although some struggle to implement their mandate due to limited resources.
- **Most of the WB6 economies fund awareness-raising and education activities from their national budgets,** a sign that they are prioritising this area of work.
- **None of the WB6 economies have yet achieved a sound and sustainable independent judiciary.** However, several of the economies have implemented reforms including setting up judiciary councils with sufficient legal guarantees of independence, introducing competitive procedures for the selection and promotion for judicial positions, and strengthening the mechanisms of disciplinary liability.
- **Concrete business integrity practices or incentives for companies to improve the integrity of their operations are scarce.**
- **Most WB6 economies have recent laws on the registration of beneficial owners of legal entities** which envisage access to the data by any member of the general public.
- **All WB6 economies envisage the liability of legal persons for all criminal offences.** In Albania, Kosovo, North Macedonia and Serbia, the maximum fines are low considering the possible scale of large corruption transactions.
- **Most WB6 economies have had at least some convictions in prominent corruption cases.** However, in Albania, Montenegro, North Macedonia, and Serbia, despite large numbers of investigations into high-level corruption, there are few final convictions.

Comparison with the 2018 assessment

The WB6 average scores have improved for all scored indicators of the 2021 assessment (Figure 19.1). The strongest increase has been for anti-corruption public awareness and education, by one point. For the other indicators, the average improvement is around 0.5 points.

Figure 19.1. Overall scores for the anti-corruption policy dimension (2018 and 2021)



Note: Scores for 2021 are not directly comparable to the 2018 scores due to the addition/removal of relevant qualitative indicators and restructuring of sub-dimensions. Therefore, changes in the scores may reflect the change in methodology more than actual changes to policy. The reader should focus on the narrative parts of the report to compare performance over time. See the Methodology and assessment process chapter for information on the assessment methodology.

Implementation of the Competitiveness Outlook 2018 recommendations

The implementation of the CO2018 policy recommendations has been limited. The strongest general progress has been in making public awareness-raising activities more sustainable through national funding. Otherwise, individual economies have implemented a few actions that correspond to the recommendations, as shown in Table 19.1, without amounting to broader regional trends.

Table 19.1. Implementation of the CO 2018 policy recommendations: Anti-corruption policy

Competitiveness Outlook 2021		
2018 policy recommendations	Main developments during the assessment period	Regional progress status
Improve the involvement of civil society in policy development and preparing draft legislation.	<ul style="list-style-type: none"> The involvement of civil society generally continues as before. Most of the economies do not provide public overviews of received, accepted and rejected proposals. In some economies, NGOs still criticise the responsiveness of the authorities. 	Limited
Ensure more systematic and comprehensive corruption proofing of legislation.	<ul style="list-style-type: none"> The practice remains limited, especially in Albania, Bosnia and Herzegovina, and Kosovo. The legal competence of prevention bodies to carry out corruption proofing has been reconfirmed in new laws in North Macedonia and Serbia. 	Limited
Make public awareness-raising activities more sustainable.	<ul style="list-style-type: none"> Funding of awareness-raising and education activities from national budgets has been ensured in most WB6 economies. 	Moderate
Some multi-stakeholder co-ordination institutions should do more to demonstrate their	<ul style="list-style-type: none"> Multi-stakeholder co-ordination institutions have been reformed or new ones set up in Albania and Montenegro. No evidence that the existing co-ordination institutions have 	Limited

effectiveness.	become more effective.	
Implement the whistle-blower protection laws.	<ul style="list-style-type: none"> • Kosovo has adopted a new whistle-blowing law. • Montenegro and Serbia have had relatively high whistle-blower activity. • The evidence on whistle-blower protection is mixed, with some anecdotal evidence of retaliations against whistle-blowers. 	Limited
Provide better safeguards to protect anti-corruption investigation units.	<ul style="list-style-type: none"> • Only Albania has established a new independent anti-corruption investigation body. 	Limited

Introduction

Anti-corruption policy encompasses both the formal policy framework and the concrete actions for containing and eventually reducing corruption. All the WB6 economies have persistently high corruption levels and suffer continuous attempts by patronage networks to establish state capture (Bak, 2019^[1]). Corruption has been a major challenge to the economies' progress towards EU accession (European Commission, 2020^[2]). Weak anti-corruption actions have been a persistent obstacle to economic competitiveness in the region (OECD, 2020^[3]).

In recent decades, the negative impact of corruption on growth has been extensively examined (see for example (Hoinaru et al., 2020^[4]; Mauro, 1995^[5]; Tanzi and Davoodi, 1997^[6])). Corruption has been shown to reduce incentives for innovation and productive labour and damage government services (OECD, 2015^[7]). There is a strong negative correlation between confidence in government and perceptions of government corruption (OECD, 2020^[3]).

Various strategies, including decentralisation, institutional and community monitoring, and open procurement auctions, have been shown to reduce the capture of public funds and resources (Hanna et al., 2011). At least in some contexts, anti-corruption policies have had positive effects on integrity and impartiality in the public sector (Kalniņš, 2015^[8]; Min, 2019^[9]).

Anti-corruption policy benefits most of the policy areas covered in this publication. However, effective control of corruption is particularly relevant to the following chapters:

- **Chapter 4. Investment policy.** Economies with less corruption generally provide a better investment climate and therefore attract more investment. In contexts with limited corruption, companies can invest resources that would otherwise be spent as bribes. The benefits also work in the opposite direction: a transparent and fair investment policy reduces incentives to engage in corruption, including by making investments in productivity more profitable than spending resources on corruption.
- **Chapter 7. Tax policy.** Tax collection is hampered by corruption, which has a significant negative impact on tax revenue. In certain contexts, more than half of tax revenues could be lost due to corruption (Nawaz, 2010^[10]). A clear tax policy can reduce risks of corruption by limiting opportunities for officials to abuse their taxation powers.
- **Chapter 9. State-owned enterprises (SOEs).** Management of SOEs depends on anti-corruption policies due to threats of corruption and irregular practices in and around SOEs. Due to the tendency of political officials to abuse SOEs' resources for political or personal gains, relations with the government represent one of the greatest obstacles to the integrity of SOEs. SOEs with public policy objectives have especially high risks of corruption (OECD, 2018^[11]). The implementation of good corporate governance principles in the SOE sector reduces the risk of corruption. These include strengthening merit-based personnel appointment, ensuring the accountability of enterprises' management and proper public reporting, and making enterprises more effectiveness at achieving their economic and public policy objectives.

- **Chapter 10. Education policy.** Education can be severely affected in corrupt environments. Corruption degrades learning outcomes, helping individuals to succeed who do not merit it, while excluding socially disadvantaged groups who cannot afford the cost of corruption. Corruption in education particularly affects the values formed by young people (Transparency International, 2013^[12]).

Assessment framework

Structure

This chapter assesses anticorruption policies in WB6 economies by assessing five broad sub-dimensions:

1. **Sub-dimension 16.1: Anti-corruption policy framework** focuses on how the economies plan, monitor and co-ordinate their anti-corruption efforts. The analysis also focuses specifically on the way the authorities assess factors that may facilitate or encourage corruption and cause corruption risks in the operation of public bodies and legislation.
2. **Sub-dimension 16.2: Prevention of corruption** focuses on institutions (corruption prevention bodies) and three key areas of policy (conflicts of interest, asset and interest disclosure, and the protection of whistle-blowers) that act as pre-emptive safeguards against corruption. This sub-dimension also reviews how the economies raise awareness and educate the general public and public officials on corruption-related topics.
3. **Sub-dimension 16.3: Independence of the judiciary** focuses on the laws, institutions and practices that protect the judiciary against undue interference. The analysis also considers mechanisms and practices that ensure the accountability and transparency of the judiciary.
4. **Sub-dimension 16.4: Business integrity and corporate liability** focuses on how the economies prevent the use of business entities for corrupt purposes, encourage integrity in business processes and help businesses withstand corrupt demands. It also reviews the provisions of liability of legal persons for corruption offences and their application in practice.
5. **Sub-dimension 16.5: Investigation and prosecution** focuses on the readiness and track record of the economies in investigating, prosecuting, and adjudicating high-level corruption. The analysis specifically reviews the institutional setup, capacities and guarantees of independence of specialised anti-corruption investigative and prosecutorial bodies.

Figure 19.2. Anti-corruption policy dimension assessment framework

Anti-corruption policy dimension				
Outcome indicators <ol style="list-style-type: none"> 1. Corruption Perceptions Index 2. Experience of corruption pressure 3. Opinion about the effectiveness of the government in fighting corruption 				
Sub-dimension 16.1 Anti-corruption policy framework	Sub-dimension 16.2 Prevention of corruption	Sub-dimension 16.3 Independence of the judiciary	Sub-dimension 16.4 Business integrity and corporate liability	Sub-dimension 16.5 Investigation and prosecution
Qualitative indicators <ol style="list-style-type: none"> 1. Policy documents, co-ordination and implementation¹ 2. Corruption risk assessment 3. Corruption proofing of legislation 	Qualitative indicators <ol style="list-style-type: none"> 4. Corruption prevention bodies¹ 5. Conflicts of interest¹ 6. Asset and interest disclosure¹ 7. Protection of whistle-blowers¹ 8. Anti-corruption public awareness and education 	Qualitative indicators <ol style="list-style-type: none"> 9. Independence of judiciary¹ 	Qualitative indicators <ol style="list-style-type: none"> 10. Business integrity¹ 11. Enforcement of liability of legal persons¹ 	Qualitative indicators <ol style="list-style-type: none"> 12. Investigation and prosecution of high-level corruption¹ 13. Specialised anti-corruption investigative bodies² 14. Specialised anti-corruption prosecutorial and judicial bodies²
Quantitative indicators n.a	Quantitative indicators <ol style="list-style-type: none"> 1. Number of sanctions for violations related to conflicts of interest 2. Number of whistle-blower reports and requests for protection 	Quantitative indicators <ol style="list-style-type: none"> 3. Independence of judiciary index 	Quantitative indicators n.a	Quantitative indicators <ol style="list-style-type: none"> 4. Number of final convictions for high-level corruption
OECD Instruments OECD Recommendation on Public Integrity	OECD Instruments OECD Recommendation on Public Integrity OECD Guidelines for Managing Conflict of Interest in the Public Service Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions		OECD Instruments OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related instruments	OECD Instruments OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related instruments

1: Non-scored qualitative indicator.

2: These are scored together under the Anti-corruption law enforcement bodies indicator.

Figure 19.2 shows how the sub-dimensions, and their indicators, make up the anti-corruption policy dimension framework. Note that for comparability with the previous assessment, not all of the qualitative indicators in each sub-dimension are scored.

The assessment was carried out by collecting qualitative data with the help of questionnaires filled out by public authorities, written comments provided by relevant non-government stakeholders, online consultations with the authorities, and complementary desk research. Alongside these qualitative inputs, quantitative data on certain indicators – provided by the economies' statistical offices, relevant ministries and agencies, and other databases – formed an integral part of this assessment. For more information, see the Assessment methodology and process chapter.

Key methodological changes to the assessment framework

Three sub-dimensions in the 2018 assessment (anti-corruption public awareness and education, corruption prevention and co-ordination institutions, and preventing and managing conflicts of interest and whistle-blower protection) have been merged into the new sub-dimension Prevention of corruption (Sub-dimension 16.2). This change reflects the unity of the prevention framework and the addition of a new qualitative indicator (asset and interest disclosure), which has become a universally accepted part of corruption prevention frameworks.

The new sub-dimension Independence of the judiciary (Sub-dimension 16.3) reflects the recognition that the courts make the final decisions relevant to combatting corruption and ensure the maintenance of the rule of law in general, which is a fundamental precondition for the effective control of corruption.

The new sub-dimension Business integrity and corporate liability (Sub-dimension 16.4) has been added in recognition of the role that businesses have in preventing corrupt practices and the importance of holding them accountable for acts of corruption.

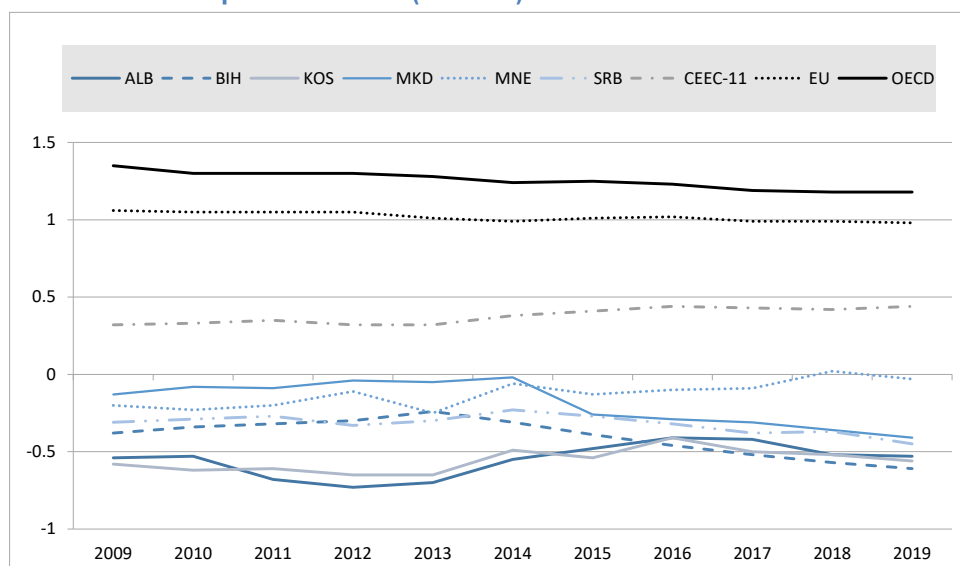
Investigation and prosecution (Sub-dimension 16.5) contains a new qualitative indicator, investigation and prosecution of high-level corruption, an area often seen as a key indicator for the credibility of anti-corruption efforts. Considering the need to limit the overall amount of analysis, this sub-dimension no longer contains the qualitative indicator of regional co-operation and mutual legal assistance.

Anti-corruption policy performance and context in the WB6

In recent years, the WB6 economies have failed to reduce perceptions of their corruption.

On a scale from -2.5 (worst) to +2.5 (best), the WB6 economies' average scores in the World Bank's Control of Corruption indicator deteriorated from -0.36 in 2009 to -0.43 in 2019 (Figure 19.3). Montenegro had the highest score (-0.03) and Bosnia and Herzegovina the lowest (-0.61) in 2019, compared to an average of 1.18 for OECD member states. Over the period 2016-19, the scores fell slightly for all WB6 economies except Montenegro, which had a minor improvement.

Figure 19.3. Control of Corruption Indicator (2009-19)



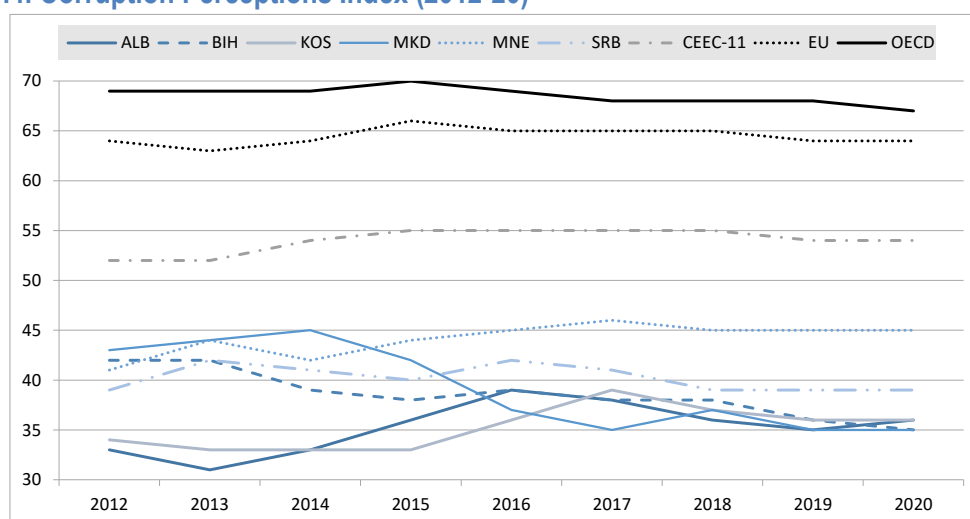
Note: -2.5 – worst; +2.5 – best. The CEEC-11 countries are Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, the Slovak Republic and Slovenia.

Source: (World Bank, n.d.^[13]), *Worldwide Governance Indicators*, <https://info.worldbank.org/governance/wgi/>.

StatLink  <https://doi.org/10.1787/888934255190>

The Transparency International's Corruption Perceptions Index reflects a similar dynamic. On a scale from 0 (highly corrupt) to 100 (very clean), the average scores among the WB6 economies deteriorated from 40 in 2016 to 37.5 in 2020 (Figure 19.4). This compares to an average score of 67 for OECD member states in 2020. The scores of most WB6 economies fell; at best, for two economies (Kosovo and Montenegro), they remained the same. In 2020, Montenegro had the highest score (45) and Bosnia and Herzegovina, and North Macedonia had the lowest (35).

Figure 19.4. Corruption Perceptions Index (2012-20)



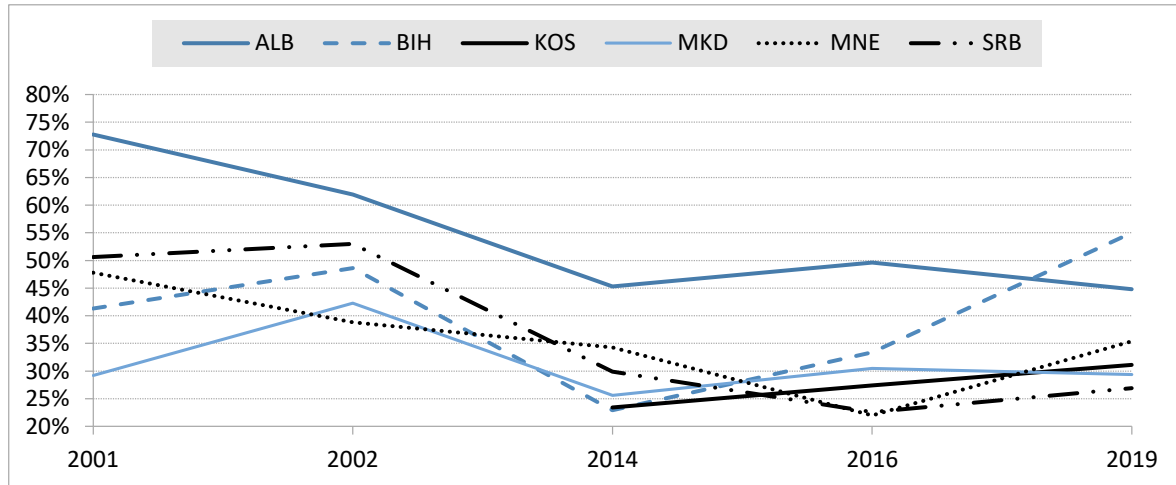
Note: 1 – highly corrupt; 100 – very clean. The CEEC-11 countries are Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, the Slovak Republic and Slovenia.

Source: (Transparency International, 2021^[14]), *Corruption Perceptions Index 2020*, <https://www.transparency.org/en/cpi/2020/index/nzl>.

StatLink  <https://doi.org/10.1787/888934255209>

Indicators of perceptions of corruption may reflect opinions affected by various external factors such as the media agenda or more general social grievances, and therefore their reliability is sometimes questioned. Surveys of the regional Corruption Monitoring System of the Southeast Europe Leadership for Development and Integrity (SELDI) coalition measure not only perceptions but also the attitudes and experiences of respondents. In 2016-19, the corruption pressure indicator (the share of respondents who have been expected to provide cash, gifts, or favours to public officials) worsened in Bosnia and Herzegovina, Kosovo, Montenegro, and Serbia, improved insignificantly in North Macedonia and considerably in Albania. Despite fluctuations on the level of individual economies, the overall trend since 2014 is stagnating with major deterioration in Bosnia and Herzegovina (Figure 19.5).

Figure 19.5. Experience of corruption pressure (2001-19)

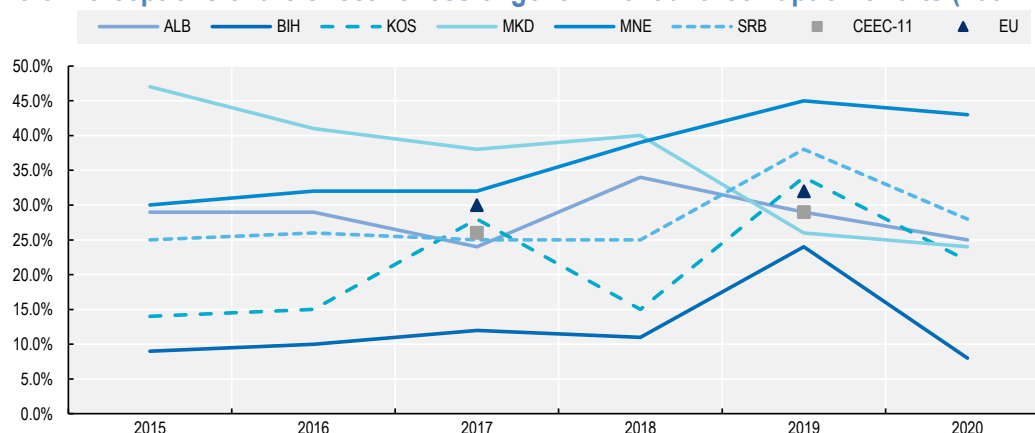


Source: (SELDI, 2020^[15]), Experience based corruption indexes, <https://seldi.net/cms-data/experience-based-corruption-indexes/>.

StatLink  <https://doi.org/10.1787/888934255228>

The potential for improvement is strongly related to the anti-corruption efforts of the public authorities, which have varied degrees of credibility in the eyes of citizens. According to the Balkan Barometer, only a minority of people in all of the WB6 economies agree that the government fights corruption successfully (Figure 19.6). Montenegro stands out with the largest share (43% in 2020) of respondents who believe this to be the case, while Bosnia and Herzegovina has the lowest (8%). On this measure, the general situation in the WB6 economies is similar to the average findings for the European Union. This indicator apparently reflects not only the perceived ability of the government to contain corruption but also broader satisfaction or grievances with its performance.

Figure 19.6. Perceptions of the effectiveness of government anti-corruption efforts (2001-19)



Note: The relevant question was only included in the Eurobarometer survey for EU countries in 2017 and 2019. EU average is EU-28 for 2017 and 2019. The CEEC-11 countries are Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, the Slovak Republic and Slovenia. Note that the data from the WB6 economies come from the Balkan Barometer, which is a different survey but uses the same question.

Source: (RCC, 2015^[16]), Balkan Barometer (2015-20), <https://www.rcc.int/balkanbarometer/publications>; EU (2020, 2017), Special Eurobarometer 502, 470, <https://ec.europa.eu/comfrontoffice/publicopinion/index.cfm>.

StatLink  <https://doi.org/10.1787/888934255247>

Anti-corruption policy framework (Sub-dimension 16.1)

Tackling corruption requires effective and co-ordinated anti-corruption policies, which, among other things, promote the participation of civil society (UN, 2004). Comprehensive strategies and action plans, which define objectives and goals, allocate responsibilities for particular tasks, set deadlines, and, in some cases, also determine necessary funds, are widely recognised to be the optimal way to frame anti-corruption policies.

This sub-dimension contains two scored indicators: corruption risk assessment and the corruption proofing of legislation. Montenegro and North Macedonia have significantly strengthened their corruption risk assessment frameworks and practice since 2018, while the WB6 economies' performance regarding both indicators remains widely disparate (Table 19.2).

Table 19.2. Scores for Sub-dimension 16.1: Anti-corruption policy framework

Sub-dimension	Qualitative indicator	ALB	BIH	KOS	MKD	MNE	SRB	WB6 average
Sub-dimension 16.1: Anti-corruption policy framework	Corruption risk assessment	1.0	2.0	1.0	3.0	4.5	3.0	2.4
	Corruption proofing of legislation	1.0	1.0	1.0	2.5	2.5	2.5	1.8
Sub-dimension average score		1.0	1.5	1.0	2.8	3.5	2.8	2.1

Corruption risk assessments are carried out in most economies but their quality and impact are disputed

The corruption risk assessment (CRA) indicator reflects whether the legal and methodological framework for CRA has been adopted and how regularly it is implemented in public institutions. The indicator takes into account whether the practice has become an integral part of organisational activities, and whether the competent authorities ensure sufficient support and monitoring for it.

Although all the WB6 economies have made some steps towards the implementation of CRAs, their performance varies widely. In Albania, Bosnia and Herzegovina, and Kosovo, public institutions are only required to carry out CRAs by policy documents rather than laws. However, although not required by law,

the practice of CRA is relatively widespread in Bosnia and Herzegovina. A substantial number of municipal and central-level institutions have also implemented CRAs in Kosovo.

In most WB6 economies, CRA is seen as a stage in the elaboration of internal anti-corruption plans of public institutions (called integrity plans). In Montenegro and Serbia, all institutions must carry out CRAs by virtue of the legal obligation to prepare and adopt integrity plans, and almost all public bodies have to comply. In North Macedonia, CRAs and management of risks generally take place within the framework of internal financial control. The State Commission for Prevention of Corruption (SCPC) is competent to prepare CRAs for different sectors.

Montenegro has the most advanced system of support and monitoring of integrity plans. Public bodies must submit integrity plans and annual implementation reports to the Agency for Prevention of Corruption (APC MNE) as well as assess the efficiency and effectiveness of the plans every second year. In 2018, the APC MNE launched an online application, with three modules: 1) a register of corruption risks, which allows for various kinds of analysis and monitoring of risk trends; 2) a reporting tool on the implementation of measures envisaged in integrity plans; and 3) a module for assessing the effectiveness and efficiency of integrity plans. In Serbia, integrity plans are to be revised/drafted every three years, and the Agency for Prevention of Corruption (APC SRB) supervises their development and implementation. According to the authorities, the Republika Srpska (RS) launched an online application for integrity plans in 2020. The quality of CRAs and integrity plans is a matter of dispute in all WB6 economies, and there seems to be a significant gap between the volume of activity and its impact.

Systematic and comprehensive corruption proofing of all relevant legislation has not been established in any WB6 economy

The corruption proofing of legislation indicator reflects whether the authorities have established a formal process to subject draft and adopted legislation to corruption proofing. The indicator also takes note of ad hoc corruption-proofing activity but focuses particularly on whether the practice is systematic and whether recommendations from the process lead to changes in legislation.

The degree of implementation of corruption proofing of legislation varies among the WB6 economies, but generally remains limited. There is no law envisaging corruption proofing of legislation in Albania, Bosnia and Herzegovina, and Kosovo. At the state level, in Bosnia and Herzegovina the Unified Rules for Legislative Drafting in the Institutions of Bosnia and Herzegovina prescribe the mandatory methodology for assessing the impact of regulations (including on corruption and conflict of interest). Even without a formalised corruption-proofing process, corruption prevention agencies participate ad hoc in the preparation of draft laws and regulations, for example in Kosovo.

Montenegro, North Macedonia, and Serbia have the legal basis and methodologies for corruption proofing legislation. In these economies, corruption prevention bodies have the power to carry out such proofing. The APC MNE has issued 17 opinions with recommendations for the improvement of regulations and, according to the agency, its recommendations have been incorporated into five laws. However, the level of activity in this area has diminished since 2017. The Anti-Corruption Agency of Serbia has published more than 100 assessments since 2013 but its recent activity also appears somewhat diminished compared with the period up to 2018 (Anti-Corruption Agency, n.d.^[17]). Even so, in 2019, the agency issued 18 opinions on proposals and drafts of regulations (Anti-Corruption Agency, 2020^[18]). In North Macedonia, the SCPC published 15 corruption-proofing reports on laws and draft laws on its website. Very little evidence is generally available about the implementation of recommendations that resulted from the proofing.

All the economies have anti-corruption policies, drawn up in consultation with civil society

All the WB6 economies have anti-corruption policy documents, co-ordination, and implementation arrangements. Their approaches to domestic anti-corruption policy planning can be divided into two groups: the adoption of separate anti-corruption strategies and action plans (Albania, Bosnia and Herzegovina, Kosovo, and North Macedonia) or tying the planning of anti-corruption policy with the process of accession to the European Union (Montenegro and Serbia have plans linked to Chapter 23 on Judiciary and Fundamental Rights of their accession negotiations). The anti-corruption strategies of Bosnia and Herzegovina (at the state level), Kosovo, and North Macedonia had all expired by the end of 2020; their replacements have been prepared but not adopted, which may interrupt their implementation.

Some national anti-corruption policy documents include assessments of funding needs for particular activities with greater or lesser degrees of detail (Albania, Montenegro, and Serbia). In other economies, the planning of funding has been rather ambiguous, based on assumptions that additional funds would not be required for most activities, leaving the determination of funding at the discretion of implementing bodies, or not envisaging the amounts and sources of funding at all. This increases the risk of not implementing the planned measures due to lack of resources.

All the WB6 economies monitor the implementation of their policy documents although with different degrees of analytical sophistication. The usual organisational arrangement comprises contact persons or focal points in implementing agencies who submit information about the progress of implementation to the corruption prevention body (in North Macedonia), to co-ordinators in a working group (in Montenegro), or to another kind of central unit such as the Minister of Justice in Albania. Albania and Bosnia and Herzegovina have also commissioned ad hoc evaluations of implementation progress, while other economies have had civil society organisations preparing independent assessments. The WB6 economies mostly tend to monitor the outputs of anti-corruption policies while concentrating less on outcomes or impact; Albania has the most comprehensive monitoring of outputs and outcomes.

Although it is generally accepted that information on the implementation of anti-corruption policies should be accessible to the public, it is not always fully observed in practice. In Bosnia and Herzegovina, the latest monitoring report of the implementation of the state-level strategy and action plan has not been made publicly available. In Montenegro and Serbia, the public authorities used to publish semi-annual reports on the implementation of the action plans for Chapter 23 but stopped the practice in 2019-20 (Government of Montenegro, 2019; Министарство правде, 2018).

Consultations with civil society are a standard practice across the WB6 region, although some civil society stakeholders complain that the responses to their proposals are insufficient. For instance, in Montenegro in 2016 the draft anti-corruption operating document was submitted to a public debate, and the official report of the consultations shows which proposals of civil society representatives were incorporated or why they were rejected (Ministarstvo pravde, 2016). Nevertheless, some NGOs claim that most proposals by the civil society were ignored. In Albania, repeated online consultations and in-person discussions took place regarding drafts of the action plan 2020-23 for the implementation of the Inter-Sectoral Anti-Corruption Strategy but reportedly feedback was not provided systematically (EC, 2020b). Albania has started to publish reports of consultations on the monitoring reports of its strategy. Meanwhile, most WB6 economies still do not provide public overviews of the proposals they received, accepted or rejected on their anti-corruption policy documents, which makes it harder to assess the impact of the consultations. This assessment cannot independently verify the validity of the critical claims of the stakeholders in some of the economies, and only takes notice of the controversy surrounding the consultations.

The COVID-19 pandemic prompted emergency measures and policies, which can create new corruption risks and require new prevention actions. As the pandemic continues, this situation is rapidly evolving and hence not fully assessed here. In some of the economies, the relevant agencies quickly reacted to the

potential new challenges. For example, Bosnia and Herzegovina developed a framework action plan for prevention of corruption during the pandemic, while North Macedonia introduced measures to increase transparency in the allocation of relief funds and implemented other measures.

Most WB6 economies are parties to several international anti-corruption legal instruments such as the United Nations Convention against Corruption, and participate in international mechanisms such as the Group of States against Corruption (GRECO) and the OECD Anti-Corruption Network for Eastern Europe and Central Asia.

The way forward for anti-corruption policy framework

- **Albania, Bosnia and Herzegovina, and Kosovo should systematically corruption proof their legislation** and make such proofing mandatory for most relevant legislation.
- **Introduce transparent and detailed planning of funding for anti-corruption activities** where exact budget requirements are not included in anti-corruption strategies and action plans.
- **Explore how to strengthen the monitoring of outcomes and impact** of anti-corruption policies.
- **Develop standards of good practice for the involvement of civil society** preferably based on broad consensus between the authorities and civil society groups.

Prevention of corruption (Sub-dimension 16.2)

Successful prevention of corruption safeguards public integrity and ensures that laws and policies are fairly designed and implemented without undue influence. It prevents harmful impacts from corruption from occurring in the first place, and reduces the need for complicated and costly repressive measures. Preventing corrupt acts before they take place is the most effective way to promote public trust and the efficient use of public resources.

The only scored indicator for this sub-dimension shows that most WB6 economies have strengthened anti-corruption awareness and education activities, and disparities between the economies in this area have decreased since 2018 (Table 19.3).

Table 19.3. Scores for Sub-dimension 16.2: Prevention of corruption

Sub-dimension	Qualitative indicator	ALB	BIH	KOS	MKD	MNE	SRB	WB6 average
Sub-dimension 16.2: Prevention of corruption	Anti-corruption public awareness and education	4.0	3.0	2.5	3.0	4.0	3.0	3.3
Sub-dimension average score		4.0	3.0	2.5	3.0	4.0	3.0	3.3

All the WB6 economies conduct awareness-raising activities

The anti-corruption public awareness and education indicator assesses the extent of government engagement in awareness-raising and education activities. It considers whether the government engages in general campaigns on corruption; produces easily accessible information materials; organises conferences and seminars for target audiences; supports, develops and delivers education programmes for public officials, students and other groups; allocates specific funding; and monitors the effectiveness of awareness-raising activities and adjusts them accordingly.

The public authorities in all the WB6 economies engage in anti-corruption awareness raising and education. Such activities have been especially extensive in Albania (public outreach events, consultative forums) and Montenegro (fliers, brochures, a billboard, TV spots). Other examples include competitions for art and literary works by school students on anti-corruption topics (Bosnia and Herzegovina) and a campaign for reporting corruption by the Customs Administration of North Macedonia. The public

authorities have engaged in relatively little general awareness-raising in Kosovo since 2016 and Serbia since 2018.

Assessment of the effectiveness of awareness-raising activities remains rare. A notable exception is Montenegro where effectiveness is measured through an annual poll, which measures the share of citizens who would report corruption, claim to know what the APC MNE does, and who believe that the agency has contributed to the overall fight against corruption and that its campaigns encourage citizens to fight corruption, etc. (ASK and Defacto Consultancy, 2019^[19]). According to the APC MNE, the survey findings have been used to target communication activities.

The main target groups for education and training activities are public sector officials and employees in all the WB6 economies as well as students at different levels of the education system (in Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia). While the need to educate officials is obvious, the choice to focus on students also appears strategically sound, by aiming to achieve the greatest impact on the attitudes of the broader society through younger generations. Training for public officials is provided by corruption prevention bodies in all the WB6 economies, as well as schools of public administration or the judiciary (Albania, Kosovo, North Macedonia and Serbia), ministries of justice (Albania, the RS), civil-service bodies (Bosnia and Herzegovina at both state and entity level), etc. Online training has been relatively rare; as of mid-2020, there was evidence of online training only in Bosnia and Herzegovina and Serbia. The COVID-19 pandemic is likely to have contributed to the wider use of online training.

A reassuring trend is the evidence of systematic funding of awareness-raising and education activities from national budgets in most WB6 economies even where contributions from international donors remain relevant. Funding from national budgets sends signals that the public authorities appreciate the significance of awareness raising and education.

Corruption prevention bodies enjoy varying degrees of independence and resources across the WB6 economies

Corruption prevention bodies operate in all the WB6 economies. In all the economies except Albania and the entities of Bosnia and Herzegovina, the main prevention bodies have comprehensive mandates to plan anti-corruption policies, oversee the management of conflicts of interest, implement asset and interest disclosure systems, and engage in awareness raising and education. In some economies they also carry out preliminary administrative probes in suspected corruption cases, etc. Albania has a multitude of prevention bodies and institutional arrangements. Its most prominent body – the High Inspectorate for the Declaration and Audit of Assets and Conflicts of Interest (HIDAACI) – is specifically responsible for the areas defined in its title. The Agency for Prevention of Corruption and Co-ordination of the Fight against Corruption of Bosnia and Herzegovina (APC BIH) has comparatively limited direct powers due to the constitutionally determined division of responsibilities between the state and autonomous entities.

The corruption prevention bodies mostly have adequate independence safeguards and mechanisms of public accountability. These include the competitive selection of candidates for leadership posts, the involvement of several stakeholders and institutions in the selection and appointment processes, collective management structures for some of the agencies, safeguards against the discretionary removal of managers, the publication of decisions made by the bodies, and at least some guarantees of funding.

In Albania, the main policy planning and administrative co-ordination unit (the Directorate of Programmes and Projects in the Anti-Corruption Field in the Ministry of Justice) as well as two institutions with administrative oversight responsibilities (the Inter-Institutional Anti-Corruption Task Force and the Special Anti-Corruption and Anti-Evasion Unit) are under direct or indirect control of political leadership and have no special independence safeguards. The APC BIH has a Selection and Monitoring Committee, which nominates the agency's director and receives reports on its operations. In practice, the committee's mandate expired in 2018, and, as of end 2020, there was no evidence of renewed activity except for the

news of the appointment to the committee of a person included in the US sanctions list for corruption (Transparency International BiH, 2020^[20]).

The capacity of the prevention bodies varies, and at least some of them have struggled to maintain sufficient human resources. The institutions in Bosnia and Herzegovina, Kosovo, and North Macedonia are the smallest in the Western Balkan region (SELDI, 2019^[21]), and this is particularly challenging for the latter two due to their broad mandates.

The legal frameworks and oversight bodies needed to manage conflicts of interest are mostly in place

Most of the WB6 economies have advanced legal frameworks to manage conflicts of interest. Dedicated laws on prevention of conflicts of interest and/or corruption, combined with civil service and other laws, form frameworks which apply to a generally comprehensive range of officials. The laws mostly comply with international standards. In Albania, Kosovo and Serbia, they cover all three main internationally recognised forms of conflicts of interest – actual, potential, and apparent – at least in principle. All the laws require public officials to be aware of their conflicts of interest and take steps to resolve them. Albania’s law provides the most detailed description of the steps that officials and their superiors should take to prevent and resolve conflicts of interest.

Detailed reviews have identified areas where some provisions of the laws could be improved. For example, international experts have identified ambiguity regarding the ad hoc disclosure and management of conflicts of interest in North Macedonia (GRECO, 2019^[22]). Since then, North Macedonia has attempted to clarify the procedures by adopting a new code of ethics and a guide as well as relying on designated persons in government institutions to advise on integrity matters. GRECO found that Serbia’s Law on Corruption Prevention lacked criteria for restricting public officials from performing business activities or allowing them to do so (GRECO, 2020^[23]). The legal framework in Bosnia and Herzegovina contains several laws, including the non-operational law of the FBiH, and is not compliant with the GRECO recommendations to harmonise “the legislation on conflicts of interest throughout the national territory” (GRECO, 2018^[24]). In January 2021, the House of Representatives of Bosnia and Herzegovina adopted a new law on conflicts of interest. Guides on conflicts of interest have been adopted in most WB6 economies.

The oversight bodies have different means of responding to non-compliance in the different economies. These include requests to resolve conflicts of interest, notifying the authorities where the officials concerned perform their functions, recommending dismissal, issuing warnings, and initiating actions to render actions void if they were made in circumstances where there was a conflict of interest. Some of the economies also envisage criminal sanctions for offences related to conflicts of interest. There are two main ways that the central oversight body can apply sanctions. In Albania, Bosnia and Herzegovina, and North Macedonia, the oversight bodies have the power to apply administrative sanctions directly, whereas in Kosovo, Montenegro and Serbia, they establish violations and then forward cases to courts or other bodies to issue sanctions or other consequences. Table 19.4 gives the data on recent sanctions and investigations.

The oversight institutions in the RS (Commission for Determining Conflicts of Interest in Public Bodies) and especially at the state level in Bosnia and Herzegovina (Commission for Deciding on Conflicts of Interest, CDCI) have weak safeguards against undue political interference. Moreover, the mandate of the CDCI expired in 2018, and it only resumed activity in mid-2020.

Table 19.4. Sanctions for violations related to conflicts of interest (2017-19)

Year	ALB	KOS	MKD	MNE	SRB
2017	436 fines	< 5 cases submitted for minor offence procedures; < 5 cases sent for criminal investigation	7 reprimands	26	125 (for conflicts of interest) 153 (for incompatibilities)
2018	112 fines	< 5 cases submitted for minor offence procedures; 10 cases sent for criminal investigation	1 reprimand	20	113 (for conflicts of interest) 125 (for incompatibilities)
2019	54 fines	2 cases submitted to the prosecutor's office; 2 requests for dismissal/ minor offence procedures.	2 reprimands; 1 fine	32	82 (for conflicts of interest) 117 (for incompatibilities)

Note: Data on Albania include non-declaration of private interests, conflicts of interest and violations of the law on whistle-blowing. Data on Montenegro include sanctions for conflicts of interest and violations of restrictions.

Source: Information provided by public authorities; (AKK, 2020^[25]), Annual Work Report. 1 January – 31 December 2019, https://www.akk-ks.org/assets/cms/uploads/files/Publikimet/Raporte/03.%20Raporti_Vjetor_i_Punes_AKK_viti_2019_ver_final_ENG_AKK_Mars_2020.pdf; (European Commission, 2018^[26]), Kosovo* 2018 Report, Commission Staff Working Document, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>; (European Commission, 2019^[27]), Kosovo* 2019 Report, Commission Staff Working Document, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-kosovo-report.pdf>.

Asset and interest disclosure requirements apply to most high/mid-level public officials, but verification remains a problem

Asset and interest disclosure apply to most high/mid-level officials in the majority of the WB6 economies (Albania, Kosovo, Montenegro, and Serbia). The range of officials covered is relatively narrow in North Macedonia, while Bosnia and Herzegovina is yet to establish a comprehensive and fully functional framework for asset and interest disclosure.

Analysis reveals some gaps in the information required to monitor the economic situation and interests of public officials. The most common gaps are beneficial ownership, when not based on formal ownership, and virtual assets such as cryptocurrencies. In some systems, the omissions also include trusts, cash savings, major transactions (expenses), salary payments for performing official functions and unpaid outside posts.

Kosovo and Montenegro publish the declarations, except for some limited personal data. Public access to the information in Albania is on request, but routine publication is expected to start in 2021. In Serbia, broad categories of data are exempt from public disclosure, such as the sources and amounts of income from non-public sources, amounts of savings, and ownership of financial instruments. In North Macedonia, the implementation of the whole system of declaration in line with the law of 2019 was delayed as of November 2020 due to software development delays.

Data on the effectiveness of the declaration systems for detecting illicit income are limited. In some of the economies, for example Kosovo, verification focuses on comparison with data held by other institutions rather than any analytical assessment of the plausibility of officials' declared economic conditions. Few of the probes into inexplicable wealth have resulted in any irregularities being found in Montenegro. In North Macedonia, in cases of suspected unjustified increase of property, an initiative to verify undeclared and untaxed assets can be submitted to the Public Revenue Office. However, since 2016, no personal income tax debt settlement decisions have followed the verifications. In Kosovo, Montenegro and Serbia, limited access to bank information, whether for legal or practical reasons, is an obstacle to exhaustive verification. Auditing of income and assets has been a significant element in the vetting of judges in Albania and a cause of grievances concerning alleged violations of human rights, although the European Court of Human Rights dismissed this in a landmark judgment (Box 19.1).

In a pioneering effort, on 19 March 2021, Montenegro, North Macedonia and Serbia signed the International Treaty on Exchange of Data for the Verification of Asset Declarations to provide direct administrative exchange of information among them (RAI, 2021^[28]). The treaty sets legal grounds for

access to information located abroad in the course of administrative proceedings, which is one of the most acute challenges to asset verification.

Protection of whistle-blowers has been strengthened but still does not meet international standards

The WB6 economies have been strengthening the protection of whistle-blowers, although the maturity of their legal frameworks, levels of whistle-blower activity and reliability of protection vary. In the last five years, new whistle-blower protection laws have been adopted in Albania (2016), the RS (2017), and Kosovo (2018). There is no whistle-blower protection law in the FBiH. Montenegro and Serbia have had high levels of whistle-blower activity (Table 19.5).

Most of the laws extend protection to whistle-blowers in both the public and private sectors and provide protection against varied and non-exhaustively listed types of retaliation. Deviations from the EU Directive 2019/1937 on whistle-blowing are commonplace. For example, only corruption-related matters can be the subject of whistle-blowing in Albania and Montenegro. External whistle-blowing to competent authorities is subject to at least some conditions, such as having reasons to doubt the integrity of an internal review of a whistle-blower report in Albania, the state level of Bosnia and Herzegovina, Kosovo, and North Macedonia. Several economies either deny protection in case of public disclosure to the media or public associations (Albania and Montenegro) or subject such disclosure to excessively limiting conditions (North Macedonia and Serbia). Some laws do not envisage protection for persons connected with the whistle-blower (Albania and Bosnia and Herzegovina).

Table 19.5. Numbers of whistle-blower reports and requests for protection (2016-20)

Year	ALB		MKD		MNE		SRB
	Reports	Requests for protection	Reports	Requests for protection	Reports	Requests for protection	
2016					56	8	774 whistle-blower protection cases received in courts during June 2015 - December 2019
2017	8	1			69	2	
2018	16	3			110	1	
2019	14	1	19	2	110	3	
2020	9	1	6		75	3	

Note: Data only refer to reports to central bodies in Albania, Montenegro, and North Macedonia.

Source: Information provided by the public authorities; Montenegro also: (European Commission, 2019^[29]), *Montenegro 2019 Report*, Commission Staff Working Document, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-montenegro-report.pdf>; (European Commission, 2020^[30]), *Montenegro 2020 Report*, Commission Staff Working Document, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro_report_2020.pdf; (ASK, 2020^[31]) *Report on the work of the Prevention Agency*, https://www.antikorupcija.me/media/documents/Izvje%C5%A1taj_o_radu_ASK_u_2020.pdf; (Ministry of Justice, 2020^[32]), *Revised Action Plan for Chapter 23 and Judicial Development Strategy for the Period 2020-2025* (22.07.2020), <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-i-strategija-razvoja-pravosudja-za-period-2020-2025-22072020.php>.

In most of the region, the share of whistle-blower reports which result in the sanctioning or prosecution of perpetrators of corrupt acts is low. Anecdotal evidence of retaliation against whistle-blowers recurs in the media, and studies have identified various cultural and institutional barriers to whistle-blowing in several WB6 economies - see, for example: (Komiteti Shqiptar i Helsinkit, 2020^[33]).

The way forward for prevention of corruption

- **Measure the effectiveness of awareness-raising activities**, for example by using public opinion surveys, and use the results of such monitoring to adjust future activities.
- **Introduce or develop cost-effective online anti-corruption courses** to increase the reach of anti-corruption training.

- **Review the requirements for asset declarations** to ensure that the disclosed information gives a comprehensive picture of the economic situation of declarants, including beneficial ownership, virtual assets and cash savings. Strengthen comprehensive financial analysis of asset declarations in addition to their formal verification.
- **Further develop legislation for protection of whistle-blowers in line with international standards**, continue disseminating information to promote whistle-blowing and increase the usefulness of reports for follow-up by relevant authorities, and reduce the obstacles that whistle-blowers face, especially by making it is easy find out when, where and how to apply for protection.

Box 19.1. The European Court of Human Rights (ECHR) hands a judgment consequential for the maintenance of public officials' integrity

This box illustrates the conformity of important aspects of the judiciary vetting process in Albania and verification of assets with the standards of human rights. In the case of *Xhoxhaj v. Albania*, the ECHR came to conclusions significant for the audit of public officials' assets and consequences of such audit. The court assessed several cornerstones of the audit of assets of public officials and found them compliant with the European Convention on Human Rights. The findings will be relevant not only for Albania but also other European countries in developing and reforming systems to oversee the legality of officials' wealth.

The application to the ECHR was brought by a former judge of the Constitutional Court of Albania who was dismissed based on the findings of the vetting of judges. In the vetting process, the competent bodies found that the judge and her partner had not had sufficient lawful income to acquire a flat, the judge had not convincingly explained the lawful source of monetary assets and attempted to conceal and present the liquid assets inaccurately. She and her partner had not justified the lawfulness of the income for these monetary amounts. It was found that the judge's partner had not disclosed a cash amount, and the judge had not disclosed foreign bank accounts in declarations of assets as required by law.

The ECHR found no violations of the European Convention of Human Rights. Beyond findings regarding the independence and impartiality of the vetting bodies, fairness of the proceedings, and proportionality of the applicant's dismissal, several conclusions have long-term significance for the oversight of public officials' assets:

- Regarding shifting of the burden of proof: "The Court further reiterates that it is not per se arbitrary [...] that the burden of proof shifted onto the applicant in the vetting proceedings after the [Independent Qualification Commission] had made available the preliminary findings resulting from the conclusion of the investigation and had given access to the evidence in the case file [...]."
- Methodology: The ECHR notes as a reason for rejecting the claim of violation that the judge "was granted access ... to the methodology used to calculate expenses ...".
- Regarding limitation periods: "Given that personal or family assets are normally accumulated over the course of working life, placing strict temporal limits for the evaluation of assets would greatly restrict and impinge on the authorities' ability to evaluate the lawfulness of the total assets acquired [...]."

- Regarding the audit of assets and private life: “While acquisition or creation of assets could be considered to be an aspect of private life, it is not the number or size of assets or an individual’s lifestyle as such that could give rise to disciplinary liability, but the individual’s inability to justify the lawfulness of the source used for their acquisition or creation and to ensure public trust in his or her integrity. In any event, the Court considers that an audit of assets does not involve an intimate aspect of private conduct that is itself treated as an ethical breach [...]”

Source: *Xhoxhaj v. Albania*, no. 15227/19, 9 February 2021.

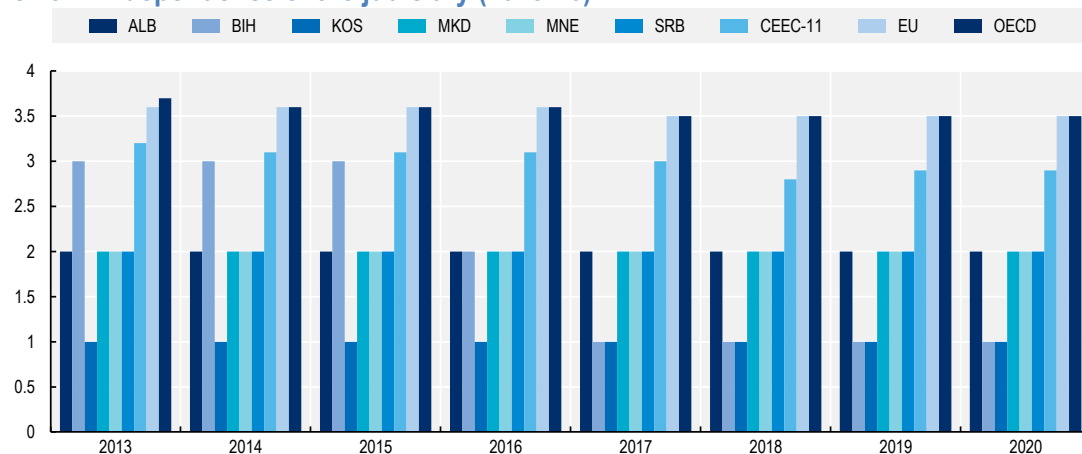
Independence of the judiciary (Sub-dimension 16.3)

Independence of the judiciary is a fundamental principle of the rule of law enshrined in international standards and the EU treaties. One of the key principles of the fight against corruption is ensuring that those in charge of the prevention, investigation, prosecution and adjudication of corruption enjoy the independence and autonomy appropriate to their functions (Council of Europe, 1997). There are no scored indicators for this sub-dimension.

Despite recent progress, none of the WB6 economies have yet achieved firm and sustainable judicial independence

Since 2013, the Freedom in the World report has consistently found that the degree of independence of the judiciary in the WB6 economies is considerably below the average levels of the EU and OECD member states (Figure 19.7).

Figure 19.7. Independence of the judiciary (2013-20)



Note: 0 – the smallest degree of independence; 4 – the greatest degree of independence. The CEEC-11 countries are Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, the Slovak Republic and Slovenia.

Source: (Freedom House, 2013^[34]), Freedom in the World (2013-2020), <https://freedomhouse.org/report/freedom-world>.

StatLink <https://doi.org/10.1787/888934255266>

The constitutions and relevant laws of all the WB6 economies provide certain guarantees of independence of the judiciary. Aside from general legal principles, common safeguards include the appointment of judges by judicial bodies and their life tenure without probation periods in Albania, Bosnia and Herzegovina, Montenegro, and North Macedonia. However, in Kosovo, judges are appointed by the President, while in Serbia appointments are made by the National Assembly.

Competitive procedures for the selection of candidates for judicial office and court chairmanship have become widely adopted in the region, as publication of vacancies and the winners of different stages of

selection. However, the implementation of the procedures is not universally satisfactory. For example, in Bosnia and Herzegovina appointment proceedings are reportedly fraught with flaws such as deviations from the rankings of candidates, insufficient transparency, insufficient reasoning about appointment decisions, excessive weight given to ethnic criteria, and the annulment by court of the criteria on performance appraisal for judges and prosecutors in May 2020 (European Commission, 2020^[35]).

The institutional setup of the governance of the judiciary is adequate for upholding judicial independence in several WB6 economies. In Albania, Kosovo and North Macedonia, the majority of the membership of judicial councils are judges who have been elected by other judges. In contrast, judges elected by their peers are a minority in the councils of Bosnia and Herzegovina and Montenegro. Moreover, the High Judicial and Prosecutorial Council (HJPC) of Bosnia and Herzegovina lacks explicit constitutional status. The *ex officio* membership of ministers of justice in the judicial councils of Montenegro, North Macedonia, and Serbia can be seen as a restriction of judicial independence. Serbia has the weakest guarantees of the independence of judiciary in its institutional set up. The National Assembly directly or indirectly appoints members of the High Judicial Council (Venice Commission, 2007^[36]). Completing the procedure of amending the Constitution is a key task in Serbia's Judicial Development Strategy for the period of 2020–25 (Government of the Republic of Serbia, 2020^[37]). This will include, among other things, strengthening the independence of the courts.

Anecdotal evidence of threats to the independence of judiciary remains common across the WB6 region. For example, there have been public comments by government officials on court proceedings in Serbia, and discretionary state-sponsored benefits as well as temporary salary reductions for some judges due to the COVID-19 pandemic in Montenegro (European Commission, 2020^[38]; European Commission, 2020^[30]; Građanska alijansa, 2019^[39]). These and other observations show that firm and sustainable independence of judiciary has not yet been achieved in any of the WB6 economies.

The most ambitious reform process of recent years has been in Albania, which started a vetting process in 2016 for all judges and prosecutors as a single extraordinary measure under the oversight of the International Monitoring Operation. Processing of more than 286 dossiers resulted in 62% dismissals (European Commission, 2020^[40]). However, the vetting has also created a strain on the judiciary due to the increased number of vacancies. At one point, the High Court and the Constitutional Court became practically dysfunctional (Venice Commission, 2020). In contrast, the appraisal of judges in Kosovo has been perceived as unrealistically lenient. In 2019, 99% of judges with permanent mandates who were subject to evaluation were rated “good” or “very good”, in stark contrast to common perceptions about judges’ professionalism (European Commission, 2020^[41]).

Several WB6 economies have taken steps to strengthen the disciplinary liability of judges through reforms such as the introduction of the High Justice Inspector responsible for initiation of disciplinary proceedings in Albania and clearer disciplinary mechanisms based on the new Law on the Disciplinary Liability of Judges and Prosecutors (2018) in Kosovo. In Serbia, disciplinary and ethics rules are being revised to improve the definitions of offences, among other aims. In Montenegro, however, the lack of publication of decisions on disciplinary proceedings against judges limits public accountability. In Bosnia and Herzegovina, concerns have been raised about excessive dominance of the HJPC members in disciplinary commissions, obstacles to disciplinary liability of members of the HJPC themselves, alleged inconsistencies in decisions, lenient sanctioning policy, etc. (Delegation of the European Union to Bosnia and Herzegovina / EUSR, 2019^[42]; Omerović, 2020^[43]; Transparency International BiH, 2020^[44]).

The way forward for independence of the judiciary

- **Ensure that the majority of members of judiciary councils are judges elected by other judges** in economies where that is not the case (Bosnia and Herzegovina, Montenegro, and Serbia). In Bosnia and Herzegovina this may require the separation of the institution into judiciary and prosecutorial councils.

- **Serbia should continue to debate and eventually amend the relevant legal provisions to firmly safeguard judicial independence** including by reducing the role of political bodies in judicial careers.
- **Shield the judiciary from specific threats relevant to the individual economies**, such as hostile communication from government members, arbitrary advantages or disadvantages handed by the government to individual judges, and tolerance of inexplicable wealth among judges.

Business integrity and corporate liability (Sub-dimension 16.4)

Business integrity is essential for both the public interest (reducing the supply of bribes from the business sector, for instance) and private interests (such as safeguarding investment value). The sustainable containment of corruption is more likely when public sector and private sector actors co-operate and complement their mutual efforts against abuse. There are no scored indicators for this sub-dimension.

There are few business integrity requirements on companies but disclosure of beneficial owners is being introduced

There are few concrete business integrity practices or incentives for companies to improve the integrity of their operations in the WB6 economies (for an example of good practice, see Box 19.2). Company laws do not explicitly envisage the responsibility of boards of directors to oversee the management of corruption risks apart from general fiduciary duties. Business chambers and associations have undertaken some activities such as adopting the Business Ethics Code and establishing the Court of Honour (Montenegro) and developing principles of business ethics (North Macedonia).

There are few designated institutions such as business ombudsmen responsible for receiving complaints from companies about corruption-related matters. According to the Minister of State for Protection of Entrepreneurship of Albania, the minister addresses complaints by entrepreneurs from an administrative perspective, including corruption-related matters.

The introduction of disclosure of beneficial owners is at different stages in the different economies. Most of the WB6 economies have recent laws, which comply with the EU's 5th Anti-Money Laundering Directive (2018/843) regarding the requirement to provide access to data on beneficial owners to any member of the general public. Only in the FBiH and Kosovo does the law not require disclosure of beneficial owners. The legal definitions of beneficial owners are mostly modelled along the lines of the definition in the EU directives. As of end 2020, Albania and Montenegro had not launched the relevant registers; North Macedonia made its register operational in January 2021.

Box 19.2. Helping businesses to avoid bribery in the United Kingdom

Public authorities can effectively incentivise and assist private companies to prevent, detect and report bribery. Even when shareholders, management and other employees want to avoid corruption in business proceedings, they may not be aware of the full extent and kinds of corruption risks and all the available tools that could be used to mitigate them. Therefore, guidance and clear communication about the mandatory and recommended anti-corruption compliance measures can be essential support for companies.

The United Kingdom is an example of good practice in this regard, based on, among other things, the provisions of the 2010 Bribery Act regarding liability of legal persons, including for failing to prevent bribery unless they prove that they “had in place adequate procedures designed to prevent” bribery by persons associated with them. In 2011, the Ministry of Justice published the Guidance to Commercial Organisations, which explains how to prevent bribery by way of applying anti-bribery procedures, demonstrating top-level commitment, assessing risks, applying due diligence procedures in respect of persons who perform services for or on behalf of the organisation, communicating the prevention policies internally and externally, and monitoring, reviewing and improving procedures as necessary.

Other authorities have also provided guidance. The Financial Conduct Authority (financial regulatory body) published the Financial Crime Guide and the results of its thematic reviews. The City of London Police developed films for commercial organisations and law enforcement around the world to raise awareness.

The UK government has published a set of resources accessible through a web portal for businesses (www.great.gov.uk) containing:

- tailored guidance on compliance, prevention, and collective action for [small and medium-sized enterprises] SMEs
- links to the Transparency International’s Global Anti-Bribery Guidance and the Anti-Corruption Toolkit for SMEs from the G20 and B20
- information on UK legislation and how it relates to businesses operating abroad
- a guidance pack and a quick start guide to the Bribery Act 2010 ...
- information and links to guidance on anti-corruption legislation around the world, e.g. the US Foreign Corrupt Practice Act
- detailed information on Know Your Customer procedures which highlights the importance of identifying foreign bribery, conducting due diligence checks and supply chain mapping.

Although the OECD Working Group on Bribery in International Business Transactions has found some room for the further improvement of the policy, the adoption of anti-corruption corporate compliance measures by companies in the United Kingdom is overall well advanced.

Source: (OECD, 2019^[45]), *Implementing the OECD Anti-Bribery Convention: Phase 4 Two-Year Follow-Up Report: United Kingdom*, www.oecd.org/corruption/United-Kingdom-phase-4-follow-up-report-ENG.pdf; (Ministry of Justice, 2011^[46]), *The Bribery Act 2010*, guidance, www.gov.uk/government/uploads/system/uploads/attachment_data/file/181762/bribery-act-2010-guidance.pdf; (OECD, 2017^[47]), *Implementing the OECD Anti-Bribery Convention, Phase 4 Report: United Kingdom*, <https://www.oecd.org/corruption/anti-bribery/UK-Phase-4-Report-ENG.pdf>.

The main elements of liability of legal persons are in place but evidence of enforcement is scarce

Liability of legal persons in all WB6 economies is general, meaning it is applicable for all criminal offences, and mostly autonomous, meaning it can be applied even when a natural person is not sentenced for the perpetrated criminal offence. The liability of legal persons in the region generally follows the expanded identification model where the liability of the legal person can be triggered by an offence committed by a person belonging to the entity's management or having representative powers (responsible person) or by such person's failure to supervise employees (OECD ACN, 2015^[48]). In Bosnia and Herzegovina and North Macedonia, a legal person can also be held liable when they benefit from gains acquired through criminal offences. Thus, the main elements of liability of legal persons generally comply with international standards.

One issue of concern is the low level of fines applicable in several of the economies. The upper limit of fines for active corruption offences is around EUR 45 000 in Albania and around EUR 42 500 in Serbia. In Kosovo, the maximum limit for the gravest crimes is EUR 100 000. In North Macedonia, the general upper limit of fines is around EUR 485 000, but the law envisages much lower amounts for lesser crimes, to which certain corruption offences belong. Even when illicitly gained benefits can be confiscated, fines appear low relative to the possible scale of large corruption transactions.

The legal rules differ regarding the effects of compliance on sentencing and its enforcement. Compliance in the form of eliminating the organisational shortcomings which led to the criminal offence, is recognised as a mitigating circumstance in Albania. Montenegro envisages the possibility of exemption from punishment and Serbia permits suspended sentencing when the relevant entities have implemented compliance measures. The laws of Bosnia and Herzegovina, Kosovo, and North Macedonia do not envisage due diligence (compliance) as grounds to exempt legal persons from liability, mitigate or defer sanctions. These economies do not appear to have exhausted all legislative possibilities to incentivise anti-corruption compliance in companies.

Data are scarce about the application of liability of legal persons in corruption cases. In Albania, one sanction was applied in 2016, two in 2017, and two in 2018. In North Macedonia, no sanction was applied in 2017-2018, four sanctions were applied in 2019. The track record appears strongest in Montenegro where, in 2019, 33 legal entities were prosecuted for offences of the category 'offences against service obligations' (Tužilački savjet, 2020^[49]).

The way forward for business integrity and corporate liability

- **Develop standards and guidance on the internal corruption risk management and anti-corruption compliance in companies.** See Box 19.2 for an example of guidance from the United Kingdom.
- **Strengthen corporate liability** by ensuring that fines for all corruption offences conform with the standard of effective, proportionate, and dissuasive sanctions.
- **Explore the benefits of envisaging due diligence (compliance) as grounds to mitigate or defer sanctions** in those economies where it is not available (Bosnia and Herzegovina, Kosovo and North Macedonia).

Investigation and prosecution (Sub-dimension 16.5)

Investigation and prosecution are key to the repression of corruption. A fundamental precondition for the impartial and effective repression of corruption is the protection of the relevant enforcement and prosecution bodies from undue influence. Combatting corruption requires a complex combination of

expertise, knowledge and skills. Therefore, a degree of specialisation is needed within anti-corruption law enforcement bodies in the anti-corruption field.

The only scored indicator for this sub-dimension shows that most WB6 economies have modestly strengthened the capacity of their anti-corruption law enforcement bodies, but few have made further steps to strengthen their independence. Some WB6 economies have slightly improved their track record of repressing corruption (Table 19.6).

Table 19.6. Scores for Sub-dimension 16.5: Investigation and prosecution

Sub-dimension	Qualitative indicator	ALB	BIH	KOS	MKD	MNE	SRB	WB6 average
Sub-dimension 16.5: Investigation and prosecution	Anti-corruption law enforcement bodies	2.5	2.0	2.5	3.0	3.5	3.0	2.8
Sub-dimension average score		2.5	2.0	2.5	3.0	3.5	3.0	2.8

The WB6 economies have specialised anti-corruption investigative and prosecutorial units and bodies with varying degrees of independence and capacity

The anti-corruption law enforcement bodies indicator assesses the existence and operation of specialised anti-corruption law enforcement bodies. It considers whether they have adequate capacity (staff, training, expertise, funds, etc.) and whether their financial and operational independence from undue influence is ensured. The indicator also considers evidence regarding the investigation and prosecution of high-level corruption as a proxy indicator for the capacity and independence of the institutions.

The United Nations Convention against Corruption requires public authorities to ensure the existence of a body or bodies or persons specialised in combatting corruption through law enforcement. They should be granted the necessary independence to be able to carry out their functions effectively and without any undue influence. They should also have the appropriate training and resources to carry out their tasks (United Nations, 2004^[50]).

The WB6 economies have mostly designated specialised anti-corruption investigative and prosecutorial units and/or bodies. Albania has nearly completed the most extensive institutional reforms in the region since the 2018 assessment. Based on a law adopted in 2016, it is creating a special anti-corruption structure (SPAK). The SPAK consists of the Special Prosecutor's Office (SPO), which is independent from the Prosecutor General, and the National Bureau of Investigation (NBI), which is subordinate to the SPO. The establishment of these bodies has been slow; the SPO was established in 2019 and the staffing of the NBI was close to completion as of January 2021. The legal framework contains safeguards for the independence of the SPO and the NBI, including competitive selection of the leadership and appointments by an independent institution (the High Prosecutorial Council).

Specialised prosecutor's offices – under a variety of titles – are the most widely implemented form of anti-corruption law enforcement among the WB6 economies. However, Bosnia and Herzegovina has only internal specialised sections and departments of prosecutor's offices. Corruption crimes may be just one of several categories of crime these bodies are responsible for. The offices have certain safeguards of their independence, although their strength varies. For example, in Montenegro, North Macedonia and Serbia, candidates for chief prosecutor are selected by public competition and they are appointed by prosecutorial councils rather than political bodies in Kosovo, Montenegro, and North Macedonia. The prosecutorial councils also have powers over their dismissal. Safeguards for operational independence vary; for example, the autonomy of the Special State Prosecutor's Office (SSPO) of Montenegro is limited in that the Supreme State Prosecutor may directly undertake actions for which the head of the SSPO is responsible. In contrast, in North Macedonia, the Public Prosecutor of the Republic cannot act in or transfer matters for which the Prosecutor's Office for Organized Crime and Corruption (POOCC) is competent without the consent of the Chief Public Prosecutor of the POOCC.

The specialised prosecutor's offices all have limited capacity in the WB6 economies although the degree of capacity constraint varies. Serbia has made significant investment in the capacity of specialised prosecution with 21 prosecutors and 27 staff members within the Prosecutor's Office for Organized Crime (POOC) and 45 deputy public prosecutors in the anti-corruption departments of four higher public prosecutor's offices. Six task forces have been established in the prosecutorial bodies, which include representatives of various relevant agencies (European Commission, 2020^[38]; European Commission, 2019^[51]). On the other hand, in Kosovo and the RS, the broad responsibilities of the specialised units have reportedly led to overstretched capacity (European Commission, 2020^[41]; OSCE Mission to BiH, 2019^[52]).

Apart from Albania and to some extent Bosnia and Herzegovina (at the state level), none of the WB6 economies have criminal investigation bodies specialising in anti-corruption. There are specialised units within police bodies or ministries of interior in Kosovo, Montenegro, North Macedonia, the RS, and Serbia. For the most part there are no additional safeguards of the independence of these units other than those for police entities in general. The Special Police Division of Montenegro is partially outside the police hierarchy and lines of accountability are subject to the instructions of special prosecutors. At the state level, Bosnia and Herzegovina has the institutionally separate State Investigation and Protection Agency (SIPA) for combating several categories of serious crime including corruption, which has certain special independence guarantees. For example, an independent board is involved in the nomination and dismissal process of its leadership. Most WB6 economies have taken steps to strengthen the capacity of their specialised anti-corruption investigative entities, but this trend needs to continue to secure optimal results. For comparison with a good-practice example, see the multi-purpose anti-corruption body in Lithuania, whose competence includes criminal investigation (Box 19.3).

Box 19.3. Multi-purpose anti-corruption agencies and the Special Investigation Service of Lithuania

Criminal investigation of corruption offences requires specialised knowledge and skills. It is also essential to protect this activity from undue political interference. Considering this and the fact that effective anti-corruption policies require a combination of preventive and repressive efforts, a few economies in Europe have established multi-purpose anti-corruption agencies, which combine police investigation powers with competencies to raise awareness, educate, assess risks, develop and co-ordinate policies, etc. This institutional model has been implemented in Latvia, Lithuania and Poland, and could be considered as an option in potential future institutional reforms in the WB6 region.

The model has both potential advantages and disadvantages but among its strengths are:

- clear and broad responsibility for the anti-corruption policy
- strength of mandate and ability to counter corruption from different angles
- facilitated co-ordination of varied tasks
- synergies and mutual support between prevention and enforcement functions
- single top-level management, which results in less bureaucracy and a simpler system.

Potential risks include the fact that, when such an agency fails, almost the whole of the country's anti-corruption effort fails. In addition, a multi-purpose agency is internally complicated and can find it hard to focus on all tasks, its resources can be overstretched, the agency may not be politically tolerated and it may provide corrupt politicians a single target to attack at all costs.

A successful example of such agency is the Special Investigation Service (SIS) of Lithuania, which combines policy co-ordination and preventive competencies with investigative powers. An OECD assessment in 2017 commended the service's proactivity in opening bribery investigations and Lithuania's efforts to safeguard its ability to investigate corruption free from undue political influence. The SIS is accountable to the President and the parliament of Lithuania. Based on procedures and conditions established by law, the President appoints and dismisses the Director of the SIS by and with the consent of the parliament.

The OECD report also took notice of the SIS's advertising strategy and its lead role in awareness-raising efforts; participation in numerous anti-corruption research activities; regular contacts with other government bodies, private sector and civil society representatives; and its responsibility for oversight of the National Anti-Corruption Programme. Although the limited resources of the SIS used to be a source of concern, in 2019 the OECD found this challenge had been resolved and noted an increase in the agency's budget and capabilities.

Source: (Kalniņš, 2019^[53]), *Multi-purpose and Multiple Anti-Corruption Agencies: Considerations for Institutional Design*, <https://hkdepo.am/en/news/multi-purpose-and-multiple-anti-corruption-agencies-considerations-for-institutional-design-drafted-by-dr-valts-kalni->

(OECD, 2019^[54]), *Implementing the OECD Anti-Bribery Convention, Phase 2 Two-Year Follow-Up Report: Lithuania*, <https://www.oecd.org/corruption/anti-bribery/Lithuania-phase-2-follow-up-report-ENG.pdf>

(OECD, 2017^[55]), *Lithuania Phase 2 Report*, Working Group on Bribery in International Business Transactions, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB\(2017\)70/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB(2017)70/FINAL&docLanguage=En).

Several WB6 economies have intensified the investigation and prosecution of high-level corruption, but the numbers of final convictions are generally low

Several WB6 economies have been building up their track record of investigating and prosecuting high-level corruption, but widespread significant challenges remain. The WB6 economies define high-level corruption differently, and the formats of statistical data vary so the national level data are not directly comparable. There is evidence of relatively high levels of investigation and prosecutorial activity regarding high-level corruption in Albania, Montenegro, North Macedonia and Serbia, but the numbers of final convictions are generally low (Table 19.7).

Table 19.7. Number of final convictions for high-level corruption (2014-19)

	2014	2015	2016	2017	2018	2019
ALB	0	6	3	5	3	..
MKD	7	1	4	0	0	3
MNE	1	3	3	..	1	..

Note: No data provided by Bosnia and Herzegovina, Kosovo and Serbia

Source: Data provided by the governments.

A few economies have taken organisational steps to better target efforts to investigate and prosecute high-level corruption. For instance, in Bosnia and Herzegovina, the HJPC now requires mandatory financial investigation in all corruption cases. Kosovo has established a joint team of representatives of law enforcement institutions to select and target serious crimes and created a database of so-called targeted cases of organised crime and high-level corruption.

Scepticism about the authorities' ability to effectively investigate, prosecute, and adjudicate high-level corruption cases is still common throughout the region, while the relevant law enforcement, prosecutorial and judicial institutions are widely perceived to lack independence or capacity. The specific challenges vary in the different economies. For example, in Albania, investigation activity into high-level corruption has by far exceeded the levels of indictment and conviction (European Commission, 2020^[40]; European

Commission, 2019^[56]). Conviction rates in court cases for high-level corruption have been low and sanctions generally lenient in Bosnia and Herzegovina and Kosovo (European Commission, 2020^[35]; European Commission, 2020^[41]; Musliu and Zekaj, 2019^[57]; OSCE Mission to BiH, 2019^[52]).

On the other hand, there have been some prominent convictions. For example, an Appeals Court judge was convicted for bribery in Albania (confirmed after appeal in 2019) and the former Minister of Agriculture, Water Management and Forestry of the FBiH was convicted in 2019. In Kosovo, the Supreme Court convicted three defendants including a former Member of Parliament in 2020 in the so-called “Pronto” case associated with illegal employment in senior public enterprise positions (Bugaqku, 2020^[58]; Himaj, 2020^[59]). In North Macedonia, prominent convictions include a prison sentence for a former minister of the interior and a first-instance conviction of the former Chief Special Prosecutor in 2020 (European Commission, 2020^[60]). Borrowing the formulation of the European Commission assessments, most WB6 economies have some level of preparedness in the fight against high-level corruption, but the sustainability of these efforts remains to be seen. The level of detected and confiscated corruption proceeds remains low, and financial probes are pursued unsystematically in corruption cases in most of the region.

The way forward for investigation and prosecution

- **Continue efforts to ensure institutional autonomy as a key success factor in anti-corruption enforcement.** In particular, in those economies where corruption investigation bodies are located within the regular hierarchies of the police or the ministry of interior, they should consider ways to strengthen their institutional autonomy.
- **Strengthen the capacity of specialised prosecutors,** especially in Bosnia and Herzegovina and Kosovo.
- **Monitor and analyse proceedings in high-level corruption cases** to identify and mitigate major unjustified discrepancies between the number of investigations, prosecutions, and convictions as well as failures to ensure effective, proportionate and dissuasive sanctioning.
- **Strengthen the practice of financial probes alongside corruption investigations** to increase the amounts of corruption proceeds detected and confiscated, especially those located abroad.

Conclusion

The WB6 economies continue their efforts to develop and implement comprehensive anti-corruption policies. Civil society is contributing to these efforts with extensive monitoring, critical appraisal of the government actions, and advocacy for policy changes. Most of the economies have set up dedicated prevention and co-ordination bodies, and several of them are actively pursuing further reforms of these institutions. There is a shared recognition of the need to raise public awareness of anti-corruption issues and train public officials. The award of public budget funds for these goals indicates that they are being duly prioritised.

Nevertheless, the level of corruption has remained high across the region in recent years. Despite efforts to strengthen the rule of law, the independence of judiciary still faces challenges in all the WB6 economies. Persistent safeguarding of the institutional autonomy of specialised anti-corruption investigation and prosecutorial bodies, and strengthening their capacity, will be a key factor determining the future success of anti-corruption policies. Continued efforts to facilitate the cross-border exchange of information in administrative and criminal proceedings among the WB6 economies as well as fighting cross-border corruption will be instrumental in strengthening the anti-corruption efforts of the region as a whole.

References

- AKK (2020), *Annual Work Report: 1 January – 31 December 2019*, Anti-Corruption Agency, Prishtina, https://www.akk-ks.org/assets/cms/uploads/files/Publikimet/Raporte/03.%20Raporti_Vjetor_i_Punes_AKK_viti_2019_ver_final_ENG_AKK_Mars_2020.pdf. [25]
- Anti-Corruption Agency (2020), *Performance report of 2019*, Anti-Corruption Agency, Belgrade, <http://www.acas.rs/wp-content/uploads/2020/03/ACASizvestaj2019WEB.pdf?pismo=lat>. [18]
- Anti-Corruption Agency (n.d.), *Analysis of regulations on the risks of corruption*, <http://www.acas.rs/praksa-agencije/analize-propisa-na-rizike-od-korupcije/>. [17]
- ASK (2020), *Izveštaj o radu Agencije za sprječavanje korupcije u 2020. godini [Report on the work of the Prevention Agency]*, Agencija za sprječavanje korupcije, Podgorica, https://www.antikorupcija.me/media/documents/Izve%C5%A1taj_o_radu_ASK_u_2020.pdf. [31]
- ASK and Defacto Consultancy (2019), *Agency for Prevention of Corruption and Defacto Consultancy, Public attitudes toward corruption and familiarity with the work of the Agency for Prevention of Corruption (Stavovi javnosti o korupciji i upoznatost sa radom Agencije za sprječavanje korupcij)*, <https://www.antikorupcija.me/me/novosti/1912061105-rezultati-istrazivanje-stavovi-javnosti-korupciji-upoznatost-radom-agencije-za-sprjecavanje-korupcije/>. [19]
- Bak, M. (2019), *Western Balkans and Turkey: Overview of corruption and anticorruption*, U4 Anti-Corruption Resource Centre, <https://www.u4.no/publications/overview-of-corruption-and-anti-corruption-in-the-western-balkans-and-turkey.pdf>. [1]
- Bugaqku, V. (2020), *Rasti Pronto, shqyrtohen ankesat e palëve në Gjykatë Supreme, Group for Legal and Political Studies [In the Pronto case the appeals of the parties are considered in the Supreme Court]*, <http://www.rolpik.org/rasti-pronto-shqyrtohen-ankesat-e-paleve-ne-gjykate-supre/>. [58]
- Council of Europe (1997), *Resolution (97) 24, On the Twenty Guiding Principles for the Fight Against Corruption*, Council of Europe, <https://rm.coe.int/16806cc17c>. [65]
- Delegation of the European Union to Bosnia and Herzegovina / EUSR (2019), *Expert Report on Rule of Law issues in Bosnia and Herzegovina*, Delegation of the European Union to Bosnia and Herzegovina / EUSR, <http://europa.ba/wp-content/uploads/2019/12/ExpertReportonRuleofLawissuesinBosniaandHerzegovina.pdf>. [42]
- European Commission (2020), *2020 Communication on EU enlargement policy*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/20201006-communication-on-eu-enlargement-policy_en.pdf. [2]
- European Commission (2020), *Albania 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania_report_2020.pdf. [40]
- European Commission (2020), *Bosnia and Herzegovina 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/bosnia_and_herzegovina_report_2020.pdf. [35]

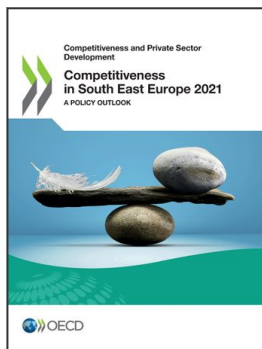
- European Commission (2020), *Kosovo* 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/kosovo_report_2020.pdf. [41]
- European Commission (2020), *Montenegro 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/montenegro_report_2020.pdf. [30]
- European Commission (2020), *North Macedonia 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf. [60]
- European Commission (2020), *Serbia 2020 Report, Commission Staff Working Document*, European Commission, Brussels, https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/serbia_report_2020.pdf. [38]
- European Commission (2019), *Albania 2019 Report, Commission Staff Working Document*, European Commission, Brussels, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-albania-report.pdf>. [56]
- European Commission (2019), *Kosovo* 2019 Report, Commission Staff Working Document*, European Commission, Brussels, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-kosovo-report.pdf>. [27]
- European Commission (2019), *Montenegro 2019 Report, Commission Staff Working Document*, European Commission, Brussels, <https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/20190529-montenegro-report.pdf>. [29]
- European Commission (2019), *Serbia 2019 Report, Commission Staff Working Document*, European Commission, Brussels, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-serbia-report.pdf>. [51]
- European Commission (2018), *Kosovo* 2018 Report, Commission Staff Working Document*, European Commission, Brussels, <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-kosovo-report.pdf>. [26]
- European Union (2020), *Special Eurobarometer 502*, European Union, <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/90119>. [66]
- European Union (2017), *Special Eurobarometer 470*, European Union, <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/81007>. [67]
- Eurostat (2019), *Early leavers from education and training*, https://ec.europa.eu/eurostat/statistics-explained/index.php/Early_leavers_from_education_and_training#Overview. [63]
- Freedom House (2013), *Freedom in the World (2013-20)*, <https://freedomhouse.org/report/freedom-world>. [34]
- Government of Montenegro (2019), *Action Plan for Chapter 23 – Judiciary and Fundamental Rights. Semi-Annual Report – July – December 2018*, <https://www.eu.me/en/23/23-documents>. [68]

- Government of the Republic of Serbia (2020), *Judicial Development Strategy for the period of 2020–2025*, <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-i-strategija-razvoja-pravosudja-za-period-2020-2025-22072020.php>. [37]
- Građanska alijansa (2019), *Civic Alliance, Reports, Judges' attitudes towards the judicial system, Citizens' attitudes regarding trust in the judicial system (Izveštaji, Stavovi sudija o pravosudnom sistemu, Stavovi građana o povjerenju u pravosudni system)*, Građanska alijansa, Montenegro, <https://gamn.org/wp-content/uploads/2020/01/GA-Istra%C5%BEivanje-o-povjerenju-sudija-i-gra%C4%91ana-u-pravosu%C4%91e-2019-1.pdf>. [39]
- GRECO (2020), *Fourth Evaluation Round, Second Compliance Report Serbia*, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/1680a07e4d>. [23]
- GRECO (2019), *Fifth Evaluation Round, Evaluation Report North Macedonia*, Group of States against Corruption, Strasbourg, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/168095378c>. [22]
- GRECO (2018), *Fourth Evaluation Round, Compliance Report Bosnia and Herzegovina*, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/16808acd50>. [24]
- Hanna, R. et al. (2011), *The Effectiveness of Anti-Corruption Policy: what has worked, what hasnt, and what we don't know—a systematic review. Technical report.*, EPPI-Centre, Social Science Research Unit, Institute of Education, University of London, London, https://assets.publishing.service.gov.uk/media/57a08ab8e5274a27b2000719/Anti_corruption_2011Hanna.pdf. [69]
- Himaj, L. (2020), *“Pronto” Case in a Nutshell*, Group for Legal and Political Studies, http://www.legalpoliticalstudies.org/wp-content/uploads/2020/01/Pronto-Case-in-a-Nutshell_Eng.pdf. [59]
- Hoinaru, R. et al. (2020), *The impact of corruption and shadow economy on the economic and sustainable development. Do they “sand the wheels” or “grease the wheels”?*, MDPI, Sustainability, <https://www.mdpi.com/2071-1050/12/2/481/pdf>. [4]
- Kalniņš, V. (2019), *Multi-purpose and Multiple Anti-Corruption Agencies: Considerations for Institutional Design*, <https://hkdepo.am/en/news/multi-purpose-and-multiple-anti-corruption-agencies-considerations-for-institutional-design-drafted-by-dr-valts-kalni->. [53]
- Kalniņš, V. (2015), *Process-tracing report on Estonia*, Centre for Public Policy PROVIDUS. [8]
- Komiteti Shqiptar i Helsinkit (2020), *Raport monitorimi “Sinjalizimi i korrupsionit në Shqipëri: sfidat e zbatimit të kuadrit të ri ligjor” [Albanian Helsinki Committee, monitoring report “Corruption signalling in Albania: Challenges of implementing the new legal framework]*, Komiteti Shqiptar i Helsinkit, Tirana, https://ahc.org.al/wp-content/uploads/2020/03/Raport-Monitorimi_Sinjalizimi-i-korrupsionit-n%C3%AB-Shqip%C3%ABri_Sfidat-e-zbatimit-t%C3%AB-kuadrit-t%C3%AB-ri-ligjor.pdf. [33]
- Mauro, P. (1995), *Corruption and growth*, *The Quarterly Journal of Economics*, Vol. 110/3, pp. 681-712, MIT Press, Cambridge, Massachusetts, <http://homepage.ntu.edu.tw/~kslin/macro2009/Mauro%201995.pdf>. [5]

- Ministry of Justice (2020), *РЕВИДИРАНИ АКЦИОНИ ПЛАН ЗА ПОГЛАВЉЕ 23 И СТРАТЕГИЈА РАЗВОЈА ПРАВОСУЂА ЗА ПЕРИОД 2020-2025 (22.07.2020) [Revised Action Plan for Chapter 23 and Judicial Development Strategy for the Period 2020-2025 (22.07.2020)]*, Government of Serbia, <https://www.mpravde.gov.rs/tekst/30402/revidirani-akcioni-plan-za-poglavlje-23-i-strategija-razvoja-pravosudja-za-period-2020-2025-22072020.php>. [32]
- Ministry of Justice (2018), *ИЗВЕШТАЈИ О СПРОВОЂЕЊУ АКЦИОНОГ ПЛАНА ЗА ПОГЛАВЉЕ 23 [Reports on the Implementation of the Action Plan for Chapter 23]*, Government of Serbia, <https://www.mpravde.gov.rs/tekst/26470/izvestaji-o-sprovođenju-akcionog-plana-za-poglavlje-23.php>. [72]
- Ministry of Justice (2016), *Izveštaj sa javne rasprave povodom nacrtu Operativnog dokumenta za sprječavanje korupcije u oblastima od posebnog rizika* [Report from the public hearing on the draft Operating Document for the prevention of corruption in areas exposed to special risk], Government of Montenegro, http://www.mpa.gov.me/rubrike/Javna_rasprava/160868/Izveštaj-sa-javne-rasprave-povodom-Nacrtu-operativnog-dokumenta-za-sprecavanje-korupcije-o-oblastima-od-posebnog-rizika.html. [70]
- Ministry of Justice (2011), *The Bribery Act 2010, Guidance*, UK Government, http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181762/bribery-act-2010-guidance.pdf. [46]
- Min, K. (2019), *The effectiveness of anti-corruption policies: measuring the impact of anti-corruption policies on integrity in the public organizations of South Korea*, *Crime, Law and Social Change*, volume 71, pages 217–239, <https://link.springer.com/article/10.1007/s10611-019-09814-z>. [9]
- Musliu, B. and Y. Zekaj (2019), *Kosovo HAS (NOT) high profile corruption*, Kosovo Law Institute, <https://kli-ks.org/kosova-ska-korrupsion-te-profilite-larte/>. [57]
- Nawaz, F. (2010), *Exploring the relationships between corruption and tax revenue*, U4 Anti-Corruption Resource Centre, <https://www.u4.no/publications/exploring-the-relationships-between-corruption-and-tax-revenue.pdf>. [10]
- OECD (2020), *Government at a Glance: Western Balkans*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/a8c72f1b-en>. [3]
- OECD (2020), *PISA 2018 Database*, <https://www.oecd.org/pisa/data/>. [62]
- OECD (2019), *Implementing the OECD Anti-Bribery Convention, Phase 2 Two-Year Follow-Up Report: Lithuania*, OECD Publishing, Paris, <https://www.oecd.org/corruption/anti-bribery/Lithuania-phase-2-follow-up-report-ENG.pdf>. [54]
- OECD (2019), *Implementing the OECD Anti-Bribery Convention: Phase 4 Two-Year Follow-Up Report: United Kingdom*, OECD, <https://www.oecd.org/corruption/United-Kingdom-phase-4-follow-up-report-ENG.pdf>. [45]
- OECD (2018), *State-Owned Enterprises and Corruption*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303058-en>. [11]

- OECD (2017), *Implementing the OECD Anti-Bribery Convention, Phase 4 Report: United Kingdom*, OECD Publishing, Paris, <https://www.oecd.org/corruption/anti-bribery/UK-Phase-4-Report-ENG.pdf>. [47]
- OECD (2017), *Lithuania Phase 2 Report, Working Group on Bribery in International Business Transactions*, OECD Publishing, Paris, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB\(2017\)70/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB(2017)70/FINAL&docLanguage=En). [55]
- OECD (2015), *Consequences of Corruption at the Sector Level and Implications for Economic Growth and Development*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264230781-en>. [7]
- OECD ACN (2015), *Liability of Legal Persons for Corruption in Eastern Europe and Central Asia*, OECD Anti-Corruption Network for Eastern Europe and Central Asia, <https://www.oecd.org/corruption/ACN-Liability-of-Legal-Persons-2015.pdf>. [48]
- Omerović, M. (2020), *Foundation Public Law Centre, Irregularities and inconsistencies in the practice of disciplinary liability of judges and prosecutors*, http://fcjp.ba/analize/Mirza_H_Omerovic-Nepravilnosti_i_neujednacenost_u_praksi_disciplinske_odgovornosti_sudija_i_tuzilaca.pdf. [43]
- OSCE Mission to BiH (2019), *Trial Monitoring of Corruption Cases in Bosnia and Herzegovina: Second Assessment*, https://www.osce.org/files/f/documents/5/2/417527_1.pdf. [52]
- RAI (2021), *The Regional Treaty on Exchange of Data for the Verification of Asset Declarations signed today*, Regional Anti-Corruption Initiative, <https://www.rai-see.org/the-regional-treaty-on-exchange-of-data-for-the-verification-of-asset-declarations-signed-today/>. [28]
- RCC (2015), *Balkan Barometer (2015-20)*, Regional Cooperation Council, <https://www.rcc.int/balkanbarometer/publications>. [16]
- SELDI (2020), *Experience based corruption indexes*, Southeast Europe Leadership for Development and Integrity, <https://seldi.net/cms-data/experience-based-corruption-indexes/>. [15]
- SELDI (2019), *Anti-Corruption Agencies in the Western Balkan Countries: Delivering on the Promise*, Southeast Europe Leadership for Development and Integrity, <https://seldi.net/publications/policy-briefs/seldi-policy-brief-8-anti-corruption-agencies-in-the-western-balkan-countries-delivering-on-the-promise/>. [21]
- Tanzi, V. and H. Davoodi (1997), *Corruption, Public Investment and Growth*, International Monetary Fund, <https://www.imf.org/external/pubs/ft/wp/wp97139.pdf>. [6]
- Transparency International (2021), *Corruption Perceptions Index 2020*, <https://www.transparency.org/en/cpi/2020/index/nzl>. [14]
- Transparency International (2013), *Global Corruption Report: Education*, Transparency International, http://www.transparency.org/gcr_education. [12]
- Transparency International BiH (2020), *Analysis of Disciplinary Liability of Judicial Officeholders in Bosnia and Herzegovina*, Transparency International Bosnia and Herzegovina, https://ti-bih.org/wp-content/uploads/2020/03/Analiza-disciplinske-odgovornosti-nosilaca-pravosudnih-funkcija-u-BiH_2020_ENG.pdf. [44]

- Transparency International BiH (2020), *Appointment of Nikola Spiric to the Commission for Selection and Monitoring of APIK's operations, is a slap in the face to the anti-corruption fight*, Transparency International Bosnia and Herzegovina, <https://ti-bih.org/ti-bih-imenovanje-nikole-spirica-u-komisiju-za-izbor-i-pracenje-rada-apik-a-je-samar-borbi-protiv-korupcije/?lang=en>. [20]
- Tužilački savjet (2020), *Public Prosecution Council, Report on the work of the Public Prosecution Council and the State Prosecutor's Office for 2019 (Izveštaj o radu Tužilačkog savjeta i Državnog tužilaštva za 2019.godinu)*, https://tuzilastvo.me/static/drtz/doc/IZVJESTAJ_O_RADU_TUZILACKOG_SAVJETA_I_DRZAVNOG_TUZILASTVA_ZA_2019_GODINU.pdf. [49]
- UIS (2020), *Education statistics*, <http://data.uis.unesco.org/index.aspx?queryid=163>. [64]
- United Nations (2004), *United Nations Convention against Corruption*, United Nations, New York,, http://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf. [50]
- Venice Commission (2020), *Opinion on the Appointment of Judges to the Constitutional Court*, [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2020\)010-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2020)010-e). [71]
- Venice Commission (2007), *Opinion on the Constitution of Serbia*, [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2007\)004-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2007)004-e). [36]
- World Bank (2019), *Business Reforms in Macedonia, FYR*, Doing Business website, <http://www.doingbusiness.org/Reforms/Overview/Economy/macedonia-fyr> (accessed on 13 September 2018). [61]
- World Bank (n.d.), *Worldwide Governance Indicators*, <https://info.worldbank.org/governance/wgi>. [13]



From:

Competitiveness in South East Europe 2021 A Policy Outlook

Access the complete publication at:

<https://doi.org/10.1787/dcbc2ea9-en>

Please cite this chapter as:

OECD (2021), "Anti-corruption policy (Dimension 16)", in *Competitiveness in South East Europe 2021: A Policy Outlook*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ee394350-en>

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 OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.