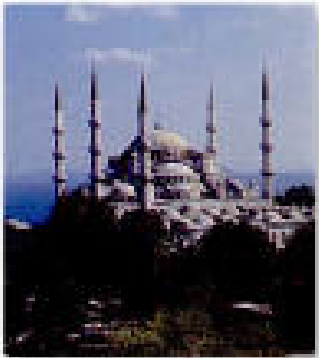

Improving the OECD's Istanbul Anti-Corruption Action Plan



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in the Caucasus and Central Asia*

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Background

- The Anti-Corruption Network

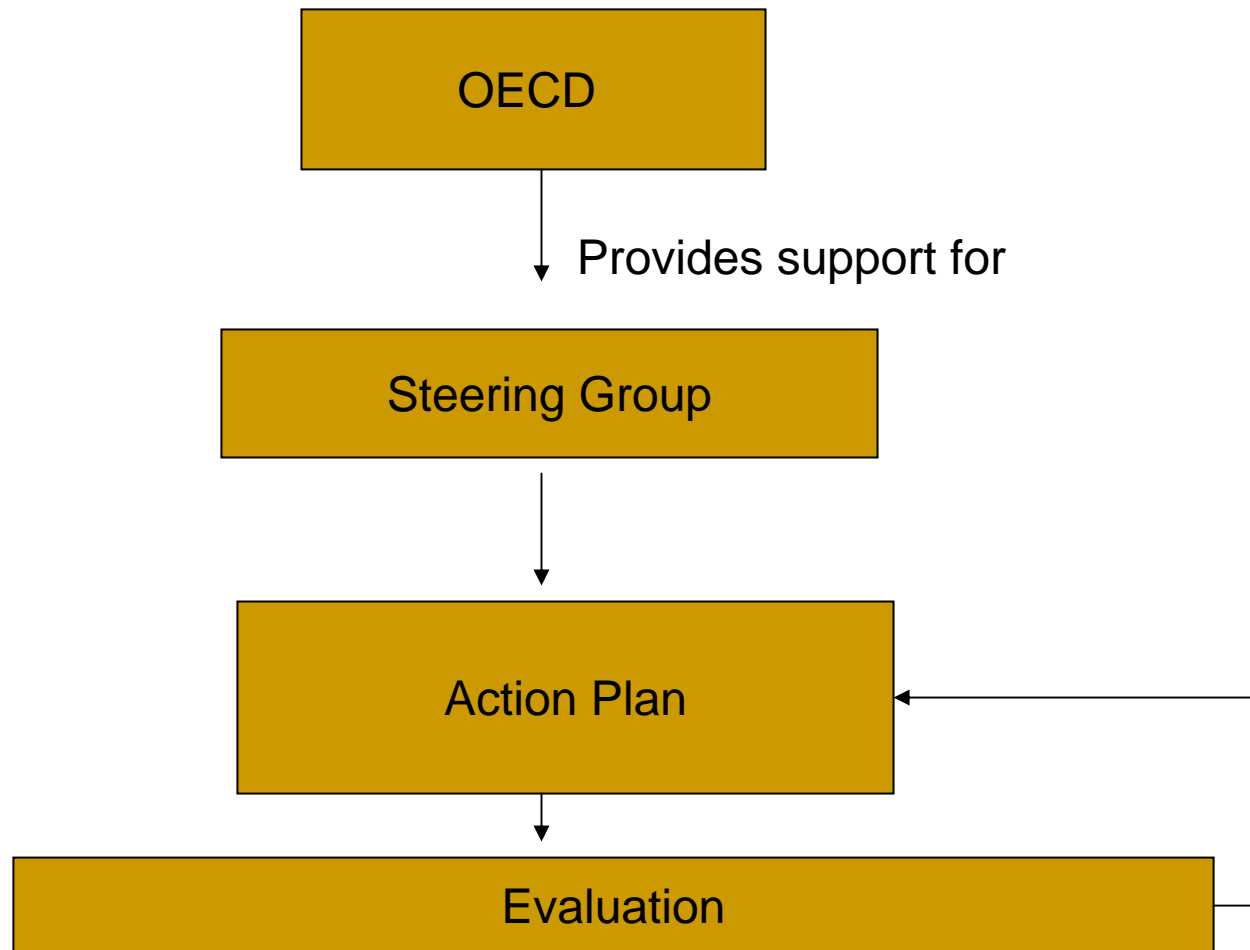
- Steering Committee of 9 International Orgs and 24 countries covered.

- “The Network focuses on strategies to reduce public sector corruption through support for the implementation of appropriate political, institutional, and economic reforms”

- The Action plan covers Armenia, Azerbaijan, Georgia, Kyrgyzstan, Russia, Tajikistan and Ukraine

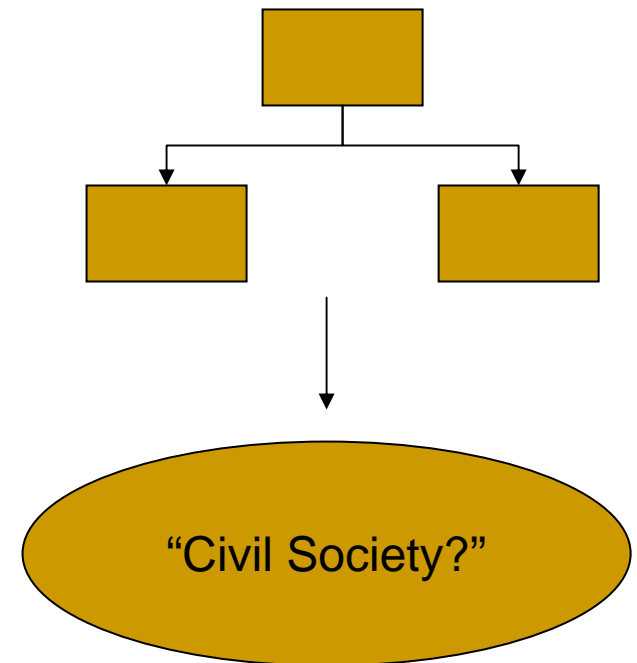


How It Works



The Plan

- UN-like Preamble
- **Pillar 1: Developing effective and transparent systems for public service**
 - Integrity in the Public Service
 - Accountability and Transparency
- **Pillar 2: Strengthening Anti-Bribery Actions and Promoting Integrity in Business Operations**
 - Effective Prevention, Investigation and Prosecution
 - Corporate Responsibility and Accountability
- **Pillar 3: Supporting Active Public Involvement in Reform**
 - Public discussion and participation
 - Access to information



Legitimacy Issues OECD must Confront

- Does OECD have right to oversee the review non-member states? (Sovereignty?)
- Participants not official State spokespeople
- Undemocratic: not of the (Central Asian) people
- Non-participants not invited
 - And role of IFIs and others unclear
- One month passes between establishment and country reports
- Funded by SECO: Swiss State Secretariat for Economic Affairs
 - Markets for Swiss firms?



Clarity of the Plan and Evaluations

- **“Identifying Country Mechanisms”**
- **Unfunded**
 - Funding...will be solicited from international organisations, governments and other parties from inside and outside the region.



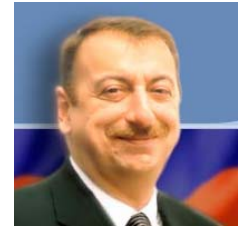
Effectiveness

- Will legislation be enforceable? (No)
- Overlap with National Action Plans?
 - Georgia, Ukraine, and Russia have donor-supported national anti-corruption progs.
- “Cannibalising own work?”
 - ADB-OECD Action Plan includes Kyrgyzstan.
Why new initiative without ADB?
- Why have one corrupt country evaluate another?



Political Power is Corrupt

- ❑ Armenia: Electoral fraud and crack-downs?
- ❑ Azerbaijan: Aliyev *films* and the centralisation of petroleum-focused corruption
- ❑ Georgia: Problems of post Shevardnadze transition?
- ❑ Kyrgyzstan: Death to Chynybek Aliyev!
- ❑ Russia: Weak on Implementation
- ❑ Tajikistan: Post-War Fragility
- ❑ Ukraine: Would YOU work with Kushma?



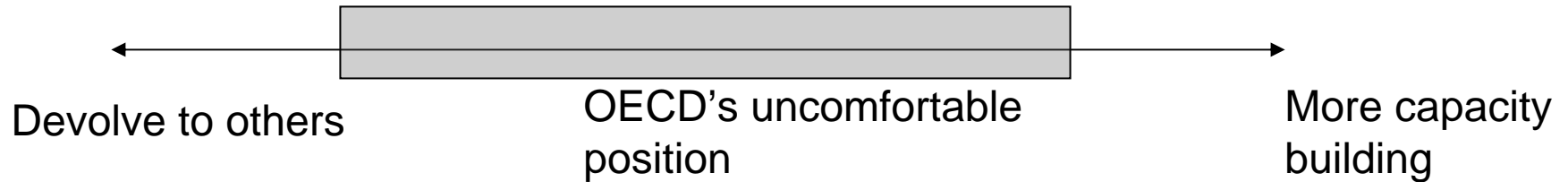
Resource Use? (Back of Envelope calculation)

Category	Per unit Cost	Number of Units	Totals
Expenses per participant (travel, hotel, etc.)	\$700	100 participants*	\$100,000
Staff preparation time (at minimum wage)	8 dollars an hour for 8 hours a day	30 days	\$2000
Opportunity Costs (cost of diverting these resources, valued at their internationally competitive salary rate)	\$800	100	\$80,000
Total			\$180,000

Can pay for roughly 1800 doctor hours at local prices.



Addressing these issues at the OECD



- **My Position: OECD should be strengthened to do more**
- Legitimacy
 - Work in these countries
 - Work on binding comments through Parliaments
 - Restore “missing” civil society
 - Work on OECD members relations with region
- Effectiveness
 - Capacity building: Role of PUMA and “hard sides of co-operation”
 - “Name and shame”
 - Provide RESOURCES for work, not just monitoring
 - Work on OECD members relations with region
- Clarity
 - Make specific and concrete actions
 - Focus on some elements and leave others



Why Should the OECD Listen?

- “Niche player” avoiding controversy
 - IFI watch and Bretton Woods Project
- Failure will be highly politicised
- OECD Convention coming under scrutiny
- Anti-Globalisation
(Don't forget MAI)
- “Reputation contagion”
to all Steering Group
members.



Sources and More Information

- The Anti-Corruption Action Plan
 - <http://www.oecd.org/dataoecd/60/59/12593443.pdf>
- Agenda
 - <http://www.anticorruptionnet.org/>

