

International Anti-Corruption Conference 2018 in Copenhagen

Anti-corruption statement

European Bank for Reconstruction and Development

1. Preamble: Present policies and activities

The mandate of the European Bank for Reconstruction and Development (EBRD) is to promote the transition to well-functioning, sustainable market economies. The Bank has long recognised that market economies can be neither well-functioning nor sustainable where corruption is endemic. Corruption is market-distorting. It imbalances what should be a level playing-field for all, to the benefit of few connected insiders. And corruption erodes trust – in governments, in the private sector, and in society – which is a vital element of any well-functioning market economy.

EBRD therefore mainstreams anti-corruption in all of its work to support well-functioning market economies. EBRD employs a pragmatic, back-to-basics approach to tackling anti-corruption: advocating and supporting solid laws and regulations, effective and transparent state institutions, judicial independence and capacity, and business integrity. This approach combines the Bank's investments with high-level policy engagement and targeted technical assistance.

EBRD's approach to anti-corruption leverages the Bank's private sector focus. EBRD strongly believes that private sector businesses are – and should be treated as – active partners in the fight against corruption and to improve the investment climate. EBRD works closely with the private sector in promoting anti-corruption initiatives, and as the starting point of our work to tackle the supply side of corruption. The Bank also increasingly works with civil society organisations to support anti-corruption capacity-building.

EBRD's anti-corruption work is therefore multi-dimensional, with both bottom-up and top-down dimensions. The bottom-up approach starts with the Bank's investments, where EBRD ensures that all our clients conform to international standards of compliance, integrity, and transparency. With thousands of investment projects over the 27 years of the Bank's operations, this approach has a vast cumulative anti-corruption effect. In all of its investment activities, the Bank pushes for increased openness, transparency and integrity among both clients – whether private or state-owned enterprises, municipalities, or national governments – as well as in our intensive policy dialogue with high-level officials. Where appropriate, EBRD attaches conditionality to its operations in order to enhance anti-corruption and compliance controls.

The top-down, policy and advisory dimension of EBRD's anti-corruption work sees the Bank engaged with governments, alongside private sector and civil society, to help introduce laws and policies, and strengthen institutions, that aim to reduce opportunities and incentives for both private and public sector actors to engage in corruption.

In keeping with its private sector focus, EBRD's policy engagements target interventions in areas where incremental improvements can be felt by the private sector. And this targeted, private sector-focused approach to combatting corruption has proven to be effective:

- At the national level, the Bank helps to establish recourse mechanisms, such as Business Ombudsman Institution in Ukraine, and capacity-building for the Minister for the Protection of Entrepreneurship in Albania.
- The Bank assists in public procurement reforms: for example, in Serbia and Bosnia-Herzegovina the procurement complaints mechanisms have been strengthened, while in Ukraine the ProZorro eProcurement system has become a new international gold standard.
- The Bank also strengthens competition authorities across the Western Balkans and Caucasus, and helps governments to enhance the governance function of SoEs, including improving state-ownership policies as recently implemented in Croatia.
- EBRD helps draft laws, such as the recently adopted Law on E-Governance in Ukraine, and provides trainings for judges in commercial law, for example on the implementation of the new Law on Bankruptcy in Albania.
- EBRD also strongly supports the development of alternative dispute resolution mechanisms including through awareness-raising in the private sector, as recently delivered in Serbia.
- EBRD also assists in introducing eGovernance solutions, such as the Taza Koom system in Kyrgyz Republic, and helps to implement reforms of the business inspection systems in countries like Serbia and Armenia.

Collaboration with other international organisations and international financial institutions is also central to EBRD's approach to anti-corruption. Coordination with other development partners ensures the Bank uses its comparative advantage as the private sector champion to maximise impact while maximising synergies with the European Union, other multilateral development banks and international financial institutions, as well as intergovernmental organisations.

2. Statement of anti-corruption commitments

In the area of **Business Integrity**:

- Working with its private sector clients across its countries of operations, EBRD will continue to enforce the highest standards of compliance and business integrity, and will work with selected clients, particularly large multinational corporations, to design and implement new measures to raise integrity and anti-corruption standards.

In the area of **State-Owned Enterprises**:

- Building on its successful track record of improving corporate governance standards in state-owned enterprises (SOEs), the Bank will expand its activities promoting the implementation of robust and corruption-proof state ownership policies as well as expanding its programme of activities with SOE clients in the area of corporate governance.

In the area of **Beneficial Ownership Transparency**:

- Working with the governments of its Countries of Operations committed to enhancing transparency, EBRD will support the development of registers of Ultimate Beneficial Owners of domestic and foreign-owned companies through the provision of legal and technical assistance to draft appropriate legislation, collect relevant data and publish it in the official registries.

In the area of **Government Procurement and Contracting**:

- EBRD will continue and expand its support for procurement policy and law reform in its countries of operations, including the adoption of modern eProcurement standards and technology. In its sovereign and sub-sovereign investment projects, the Bank will work with clients to introduce Open Contracting Data Standards, ensuring the disclosure of (non-commercially protected) data and documents at all stages of the contracting process.