

The background of the cover is a black and white photograph of a modern office interior. It shows a conference room with several grey office chairs arranged around a table, viewed through a glass partition. The ceiling has recessed lighting. A vertical orange bar is on the left side of the page.

# BALTIC-BLACK SEA REGION GOOD GOVERNANCE AND SECURITY REVIEW

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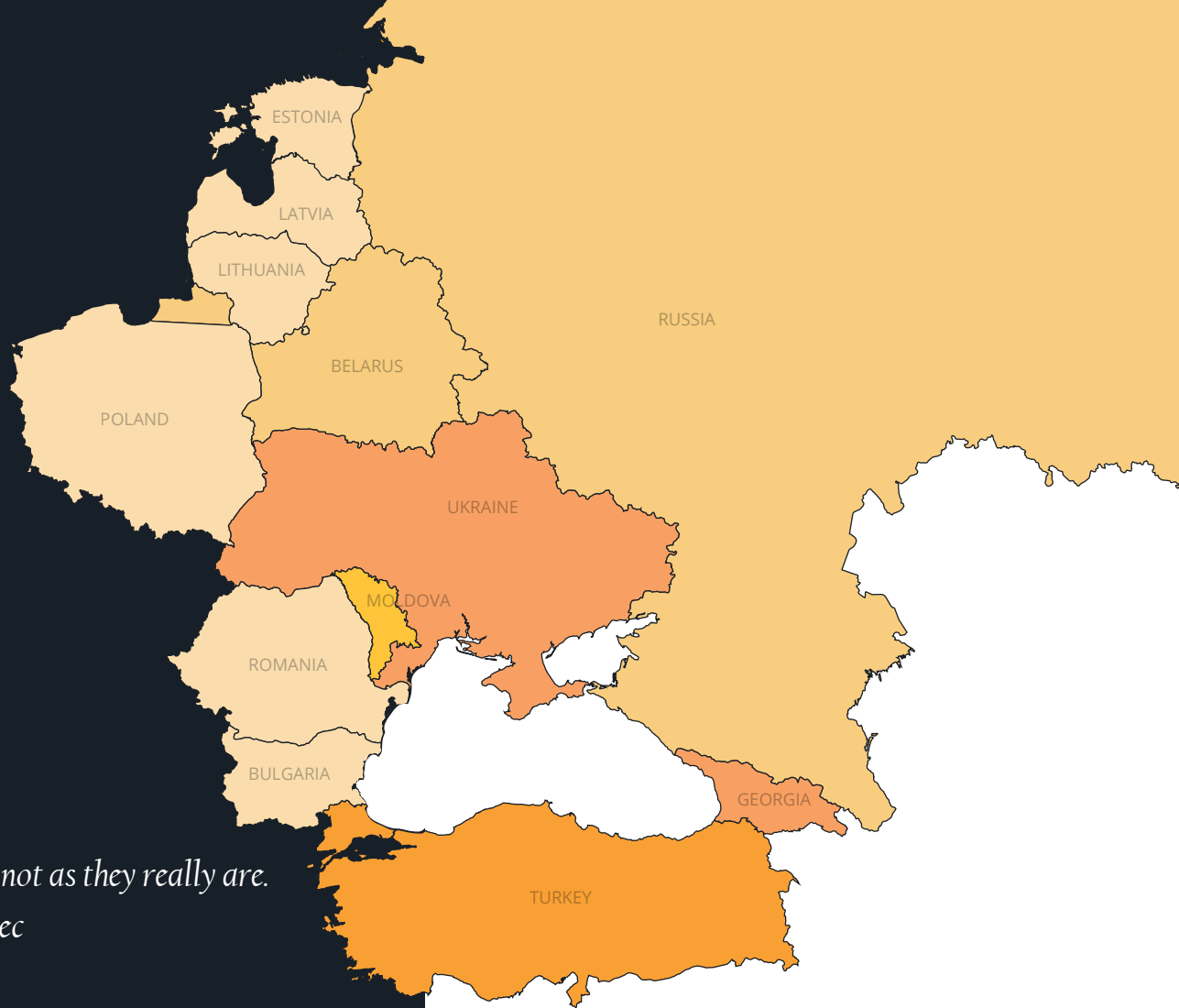
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*In fact, things are not as they really are.*

*Stanisław Jerzy Lec  
(Polish aphorist)*

# ANTICORRUPTION POLICY IN THE BALTIC-BLACK SEA REGION

BACKGROUND  
REGULATIONS  
INSTITUTIONS

## AN OVERVIEW OF THE REGION BASIC FACTS

The Baltic-Black Sea Region is a geopolitical and geo-economic virtual reality that brings together the countries that lie between the Baltic and the Black Sea, countries that belong to different civilisational clusters and international organisations but engage in bilateral or multilateral economic and political relations with each other due to their geographic proximity.

**Based on this definition, the region comprises Latvia, Lithuania, Estonia (the Baltic states), Poland, Belarus, Ukraine, Moldova, Romania, Bulgaria, Russia, Georgia, and Turkey.**

Of these, four (Poland and the Baltic states) are on the southern shore of the Baltic Sea, while six (Ukraine, Russia, Georgia, Turkey, Bulgaria, and Romania) have access to the Black Sea via their coastal areas. Only Belarus and Moldova are in-between, without access to either the Baltic or the Black Sea.

Some of them are part of conventional regions, i.e. the Central and Eastern Europe, Central Europe, Eastern Europe, and South-eastern Europe.

Moreover, these countries belong to different international organisations. **The Baltic states, Poland, Bulgaria, and Romania** are members of the NATO and the European Union. **Turkey** is a NATO member state. **Belarus** and **Russia** are part of various integration frameworks, from the Commonwealth of Independent States, the Shanghai Cooperation Organisation, the Eurasian Economic Union, and the Collective Security Treaty Organisation to the Union State of Russia and Belarus that exists on paper if not in fact. **Moldova** is a member of the CIS and has an Association Agreement with the EU. **Ukraine** and **Georgia** are more or less free of close ties to other nations, although they are members of the Parliamentary Assembly of the Black Sea Economic Cooperation and continue to develop their relations with the European Union (based on their respective Association Agreements) and the NATO (Membership Action Plan).

## HISTORICAL BACKGROUND

All of the aforementioned countries (except for Turkey) are united by their past. Some of them were members of the former USSR while others belonged to the Eastern Bloc (there was the Council for Mutual Economic Assistance for economic cooperation and the Warsaw Pact for collective defence).

After the dissolution of the USSR and the Eastern Bloc, Bulgaria, Poland, Romania, and the Baltic states returned to the European political and social environment. Meanwhile, Russia has been using any means necessary (up to and including military force) to keep Ukraine, Moldova, Georgia, and Belarus within the circle of its political and economic influence. So far, Moscow has been the most successful on the 'Minsk front', where the Treaty on the Creation of a Union State of Russia and Belarus was ratified in 2000. Moldova is an active member of the Commonwealth of Independent States (CIS) and an observer state in the Eurasian Economic Union. Ukraine is technically a member of the CIS as a founding state, whereas Georgia had left the Commonwealth on 18 August 2009.

When discussing the Region in general, one can only speak of a virtual geopolitical and geo-economic space that has not been formalised in any shape or form, although there were many attempts to institutionalise it. For the most part, these were made by Poland that cited the historical precedents of the so-called 'Jagiellonian concept' uniting the Kingdom of Poland and the Grand Duchy of Lithuania as a federative state and later, in the 15th century,

bringing together Poland, Hungary, Bohemia, and Lithuania.

In its modern form, the concept of Intermarium (or Third Europe) first appeared in Polish foreign policy in the 1930s, after the First World War. However, no matter how much effort Warsaw put into it, the project never came close to practical implementation, largely because Poland's neighbours had little faith in its initiatives while large political players such as the USSR (later, Russia) and Germany openly opposed them.

When the bipolar system broke down, the concept found new advocates. In March 1992, the Council of the Baltic Sea States (CBSS) was established in Copenhagen, and the Organisation of the Black Sea Economic Cooperation (BSEC) was created in Istanbul in June of the same year. Next came the international non-governmental organisation called the Assembly of the Black Sea Economic Cooperation, and so on. And yet, despite the efforts of the nations spearheading the project, the Baltic-Black Sea Region has not yet overcome all the various obstacles on its way towards institutionalisation.

Since some countries in the Region are active members of the European Union, all the projects involving them have been suspended for obvious reasons. Moreover, Belarus has been drifting further and further away from the regional institutionalisation paradigm, abandoning its erstwhile pro-European policy in favour of becoming closer to its eastern neighbour again.

New life was injected into the concept when the European Union Project began losing traction, and the difference between old and new (or rather, updated) democracies of the Central and Eastern Europe started to show. The formalisation issue became urgent after 2007, when Russia suddenly made a U-turn in its foreign policy, bringing back aggressive, revanchist rhetoric. Since the countries in the Baltic-Black Sea Region knew all the pitfalls of dealing with Russia better than anyone else, they had reasons to fear for their safety, especially at the time when the Euro-Atlantic defence ties started to weaken.



## THE CURRENT STATE OF ANTICORRUPTION POLICY

Any attempt to organise our knowledge about the Region, in any area of human activity, is inevitably affected by its special nature. This includes anticorruption measures. Since there are several categories of countries in the Region, it would be logical to consider their anticorruption policies in view of the features typical of the category to which each country belongs.

However, before we begin, it must be said that all the countries on our list are at least to some extent involved in international anticorruption efforts. They participate in the United Nations Convention against Corruption of 31 October 2003, although the ratification process was not the same everywhere, as, for example, Russia refused to ratify the Articles on illicit enrichment. Moreover, some Baltic-Black Sea countries participate in various international and regional programmes, such as the Istanbul Anti-corruption Action Plan involving Belarus, Georgia, Ukraine, and Russia.

The question is how each of these countries follows the recommendations from international organisations and whether its political will is strong enough to fight corruption within its borders.

The first category includes the Region's EU member states, i.e. Bulgaria, Latvia, Lithuania, Poland, Romania and Estonia. One would expect them to be the models of excellence as far as Brussels' demands and recommendations regarding anticorruption measures are concerned, but it is not that simple.

The anticorruption policy of the European Union stems from the notion that corruption is a complex economic, social, political, and cultural phenomenon. Therefore, the rule is that anticorruption efforts cannot be limited to a set of general measures and that for an anticorruption response to be successful the means and tools used to detect, prevent, and fight corruption should be adjusted to fit each particular country.

In short, the European Union's overall policy is that fighting corruption is a complex and important task set before each nation and that the issue can only be solved if all its government institutions work together and (most importantly) are supported by the entire society. If there is no agreement that corruption is shameful and intolerable, this anti-social phenomenon cannot be eliminated.

On the whole, the basic principles of the EU anti-corruption policy are strong political commitment, anticorruption culture, anticorruption reform, active role of legal institutions, regular preventative efforts, and close international cooperation.

Although the EU has done much to formalise and institutionalise the anticorruption effort legally and politically, the fight against corruption remains a challenge for the Union. It requires continuous monitoring of the way Brussels' requirements are met at the national level, since not all countries are responsible and conscientious about them.

Thus, if we are to analyse the anticorruption efforts in the Baltic-Black Sea Region, we must remember that EU member states are very different when it comes to efficiency and methods of fighting corruption. However, we may distinguish reputable countries from those that are not very successful in their efforts.

## CORRUPTION PERCEPTIONS INDEX



\* Transparency International (2020)

**In Europe, the Baltic states are historically viewed as fraught with complex economic issues, which is why some experts, including Transparency International, believe that they have obvious problems with corruption. Estonia is considered the least affected, Latvia the most, while Lithuania is somewhere in the middle.**

**On Transparency International's 2020 Corruption Perception Index (CPI), Estonia ranks 17th with 75 points, Lithuania comes 35th with 60 points, while Latvia has 57 points which makes it 42nd on the list of 179 countries. (Author's note: Like any other methodology, the Index is one-sided and insufficient, but it is one of the very few generalised, more-or-less correct indicators we can use for a light-mode comparison of the state of anticorruption efforts in the countries we are interested in).**

Based on the data above, Latvia has the most problems among the Baltic states in terms of corruption. Both political and restrictive measures have failed to yield tangible results, although the country's authorities regularly declare their commitment to the fight against corruption. What is the matter here?

It is no secret that Latvian banks have been a "window on the West", so to speak, used to evacuate capital from the former Soviet countries for more than twenty years. Their operations peaked after 2010. The first dramatic increase came after Latvia's announcement of a new investment programme that granted resident permits in exchange for deposits, and the next one followed after the Cyprus banking crisis of 2013. In the early 2016, it came to a point where Latvia, with a population six times smaller than Moscow's and 0.03% of the global GDP, carried out 1% of the world's dollar transactions.

Here, it must be made clear that most of this money had, let us say, dubious origins. For the most part, it came from Russia (although Azerbaijani, Ukrainian, and Kazakhstani nationals were also among the clients of Latvian banks). Thus laundered, the money was circulated all over the world and used, among other things, to propagate corruption among public officials and politicians in Europe.

Thus, it is safe to say that Latvia's "banking Laundromat" was the engine that started and built up corruption in the country. After all, it seemed inconceivable that such large-scale banking operations could have been carried out without drawing the authorities' attention. What appears even less plausible is that it could have been done without the participation and/or influence of high-ranking officials from Moscow.

The case of the President of Latvia's central bank is a strong proof of Russian involvement.

At the risk of jumping ahead, it has to be mentioned here that Estonia's banking system went through something similar in 2015. The only difference was that the main suspects in the investigation were the Estonia-based subsidiaries of Danske Bank and Swedbank. Based on internal audit results, more than 200 billion euros of dubious origins went through the first of the two subsidiaries between 2007 and 2015. Although the investigation involved American auditing firms, Estonia was let off the hook, but the banks remain under close watch.

The scale of the transactions was so massive that the Council of Europe passed the so-called "Fifth Directive" on 30 May 2018, which became another document in the long line of EU regulations against money laundering and terrorism financing.

Unfortunately, the banking sector was not the only one affected. Corruption spread throughout the country's social life, from domestic matters to politics. According to the January 2021 report by the Group of States against Corruption (GRECO), Latvia has done a tremendous job of preventing corruption, but it has to pay more attention to "several problems including conflict of interest".



As for the state of anticorruption policy in the two remaining Baltic states, Lithuania and Estonia, they are doing better than Latvia, albeit not by much (as we can see from their CPI rankings).

The situation in the Baltic states is the way it is largely due to their common Soviet past that continues to affect them despite years of independence. The level of corruption in each of the three countries is directly proportional to the level of influence Moscow is able to exercise over each national government.

Unlike its neighbours, Estonia does not have a specially designated anticorruption authority, but it still managed to get results thanks to the strong political will of its officials to root out bribery. Giving the Estonian language official status also helped, as it forced many Russian-speaking immigrants to leave their posts to be replaced by young Estonians. Then, the post-Soviet corrupt system fell apart. In turn, economic recovery made it possible for public officials to get decent salary.

Thus, we can see that when Estonia and Lithuania work to protect their political systems from Russian penetration, it strengthens their anticorruption policies as well. Meanwhile, Latvia's pro-Russian "tolerance" has the consequences we observe today.



POLAND

RANK 45

56 points

**Poland is ranked 45th on the CPI with 56 points, just one point below Latvia, but if we compare the anticorruption efforts of the two countries, Warsaw's policy appears to be better and more effective than its counterpart. Experts believe that Poland's relative success is due to the strong political will of its leaders, successful institutionalisation of its anticorruption policy, and its public's disapproval of corruption.**



ROMANIA

RANK 69

44 points



BULGARIA

**Bulgaria and Romania share the 69th spot on the CPI with 44 points each. Thus, they are considered two of the most corrupt EU member states. Just as in the examples above, the figures here support expert findings. However, even though they share the spot on the Index, Bulgaria and Romania have markedly different anticorruption policies.**

On the one hand, Moscow's corrupt hold over Bucharest is not as strong as it is over Sofia, while on the other, Romania's anticorruption policy became a prisoner to party conflicts after 2017 when the newly created centre-left coalition led by the Social Democratic Party (what Romania's Communist Party became after it was reformed) quickly began undoing everything its centre-right predecessors had achieved. The scandal surrounding Laura Kövesi, the former chief prosecutor of the National Anticorruption Directorate of Romania and the current head of the newly established European Public Prosecutor's Office (EPPO), clearly shows how the interests of the ruling parties and groups can be given priority over the interests of the country and society.

While Romania made a step backward in its anticorruption policy, Bulgaria appears to have no political will to combat corruption, according to experts. For example, the Bulgarian anticorruption agency was only authorised to conduct investigations after the EU threatened to withdraw funding. Moreover, the country's government and the local oligarchs are interconnected. In their statement on 4 March 2021, a group of American Congressmen called this "embedded corruption".

When considering **Turkey's** anticorruption policy, one should bear in mind several important factors that affect its development and implementation. The most important one is Turkey's years-long quest of becoming an EU member state, which continues to play an important part in the country's domestic and foreign policy, no matter what Turkish politicians may say.

Another significant factor is Turkey's "Eastern" approach to corruption, although, as a secular state, it has long been trying to fight it. The problem is that in the country's Muslim tradition the word "bribe" has a different connotation than it does in the Christian Europe, and its anticorruption measures have to adjust for it before they can be implemented. Thus, two years after the 2005 Law on Combating Corruption was passed, it was amended to introduce the concept of a "legal bribe" into the Turkish legal practice.

**Georgia comes 45th on the 2020 Corruption Perception Index with 56 points, ahead of such EU member states as Bulgaria, Greece, Italy, Malta, Romania, Slovakia, Hungary, Croatia, and the Czech Republic, not to mention Belarus, Russia, and Ukraine.** But what does this figure mean?

Experts consider Georgia an apt illustration of how a country can eliminate domestic corruption and yet allow its elite and political varieties flourish. Georgia stopped short of reforming its entire justice system (failing to make judges truly independent), which allowed officials to continue to influence the judiciary, making abuse of authority a widespread problem. Moreover, radical privatisation and deregulation resulted in some companies monopolising a number of sectors including healthcare. According to the latest research, political and elite corruption in Georgia shows no signs of weakening.



**Ranked 115th in the CPI 2020 with 34 points, Moldova** has entered a period of uncertainty after last year's presidential election. The country seems to be put on hold, waiting for its fate to be decided. However, much work has been done behind the scenes both in Moldova and (more importantly) outside its borders to decide the country's future course, which also includes the anticorruption policy.

What complicates the situation is that the country and its key decision-makers have different positions. Moldova urgently needs drastic anticorruption changes, especially after the scandals that have been hounding it for years. The European community supports this approach but can do very little in practice.

Moscow, on the other hand, can do much. It was not so long ago that Moldova was completely under Russian control both officially and unofficially. As such, it cannot really change its course on its own. Meanwhile, the Kremlin has no reason to hurry. The Transnistria factor and Moldova's economic dependence on Russia leave the latter free to wait and use this time to its advantage. Thus, despite its solid anticorruption legal base and successful institutionalisation of anticorruption procedures, it is far too early to say what shape Chişinău's anti-corruption course will take in the future.



One could say that **Belarus'** ranking on the CPI (63rd place with 47 points) is not bad, but it would be unfair to compare the anticorruption policy of the Belarusian government with that of any other country in the Region (maybe apart from Russia), because corruption in Belarus is viewed, interpreted, and fought differently.

Since, according to the country's Concept of National Security, corruption is defined as a threat to national security, it requires tools to combat it that correspond to the level of the threat. It would have been perfectly safe and justified in a democracy that has a system of checks and balances. In Belarusian autarchy, on the other hand, the anticorruption policy is used as a means of creating an internal political environment that would satisfy the authorities, because in Belarus the powers that be consider a threat to national security as a threat to their existence.



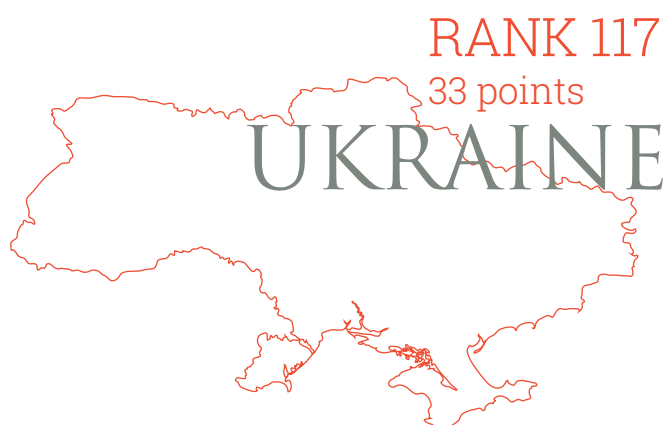
Finally, we come to **Russia**. It is the part this country has played in the Region that should be examined in more detail. **On Transparency International's 2020 Index, the Russian Federation is 129th with 30 points, which is less than impressive, but when it comes to Russia, one has to consider more than just figures.**

The West's existential crisis, the institutional stagnation of the European Union, and the weakening of Euro-Atlantic ties that coincided with Russia's "getting up from its knees" (made possible by an increase in prices for fossil fuels) conspired to create an environment in which Moscow was able to expand its influence in the Region.

When Russia returned to its aggressive, revanchist foreign policy, the Baltic-Black Sea Region was once again caught between two civilisations, the European democracy and the Asian neo-totalitarianism, with one notable difference. Back in the days of the bipolar world, the Region was merely a buffer zone between capitalism and communism. Nowadays, Moscow is simply trying to regain total control over its former satellites regardless of their status or position.

To achieve its political goals, Russia has historically been using a complex approach with a variety of methods and tools, not only from the conventional foreign-policy arsenal but also from the set used in information wars. Since August 2008, the Kremlin has added open application of military force to its toolkit.

When prices increased, Moscow was able to create a favourable environment abroad by using the money it earned selling raw hydrocarbons to expand its extraterritorial corruptive influence. In time, the Kremlin moved on from bribing individual politicians to establishing or funding entire civic movements and political parties.



**In Ukraine (which ranks 117th on the CPI with 33 points), the issue of corruption remains complex and urgent.** Modern Ukraine has all the hallmarks of a classic oligarchy, which has finally become clear not only to those inside the country but to those outside it as well, particularly in the United States and the European Union. A consensus about Ukraine's prospects is gradually taking shape. Therefore, the Ukrainian anticorruption policy has to begin with an answer to the question: What came first, corruption or oligarchy?

Obviously, there can be no effective anticorruption policy if the oligarchy is not brought to heel. Ukraine's European and Euro-Atlantic future depends on how successful it is in combating corruption.

Since the system cannot reform itself, Ukraine requires some outside help. It is at this particular point in time that such help would be the most effective, as the last couple of years have created an environment that can be conducive to an anti-oligarchic and thus anticorruption breakthrough.





Its main target was the European Union, since Moscow views it as a threat to Russian interests in Eurasia and even more so in post-Soviet and post-Eastern Bloc countries. The rise of euroscepticism in Europe is the result of Moscow's efforts to undermine the EU integration project.

The Kremlin soon found that corrupting some of the members of local political elites was the most effective way to achieve its objectives. It soon transpired that a "negative selection" of sorts was going on in the countries Russia had keen political interest in (among other things).

The European political arena gradually came to be larded with parties that did not seek to promote the interests of any group of their country's citizens but were instead championing the ideals of a foreign power. Some politicians have been on the Kremlin's payroll for years.

This way, Russian corruption has permeated and persistently eroded the entire political system of today's Europe. It turned out that there was no need for Moscow to fight for any material objects in other countries, as it only had to pick up a bargain at a local "political supermarket" to have the entire country do the Kremlin's bidding.

It may seem cruel to speak this way about the good old democratic Europe, but facts are stubborn things, as they say. In the latest news from Germany, the Federal Office for the Protection of the Constitution suspects the (as yet) oppositional party Alternative for Germany (AdF) of right-wing extremism, which reflects Moscow's long reach, since everybody knows who the party's foreign benefactor is. (In December 2020, the Russian Foreign Minister Sergey Lavrov received an AdF delegation in Moscow).

The same can be said about the French National Rally (known as the National Front until 1 June 2018) and Marine Le Pen who is rightly considered one of the staunchest supporters and propagators of the Russian president's policy in Europe.

If one recalls the post-political career Germany's ex-Chancellor Gerhard Schröder, a rather depressing pattern is beginning to emerge, as many politicians start thinking about following in his footsteps, like former Foreign Minister of Austria Karin Kneissl who is to become a member of the Board of Directors of Rosneft, Russia's biggest oil company.

If politicians from "Old Europe", where democratic traditions and institutions are embedded in its very foundations, were unable to resist the temptation, how can it be expected of their counterparts from the Baltic-Black Sea Region? It is not to be thought of that Russia's corruptive influence is any less weak there.

Thus, it is safe to say that in the beginning of 2021 Russia remains the political force that has shaped the climate in the Region. Being part of the European democratic Ecumene does not guarantee security next to Russia's regime that has been growing increasingly more totalitarian over the past year, with the Belarusian political elite openly coming onboard recently.

Meanwhile, anticorruption efforts in Russia are not moving forward. In fact, the opposite is true. According to GRECO, despite the relatively stable anticorruption legal system that has developed in the country over the last ten years, public access to information remains limited, and the government agencies involved in anticorruption practices are not transparent enough. Russia's closed system of professional castes in the government sector is mentioned as a separate problem exacerbating the situation further.

As part of the practical implementation of the amendments to the Russian constitution, the country's parliament and president have passed a number of laws and regulations that call into question the possibility of putting up effective resistance to corruption. For example, since the information on the income and wealth of some categories of Russian citizens is classified, it excludes one of the most important participants, the public, from the anticorruption process.



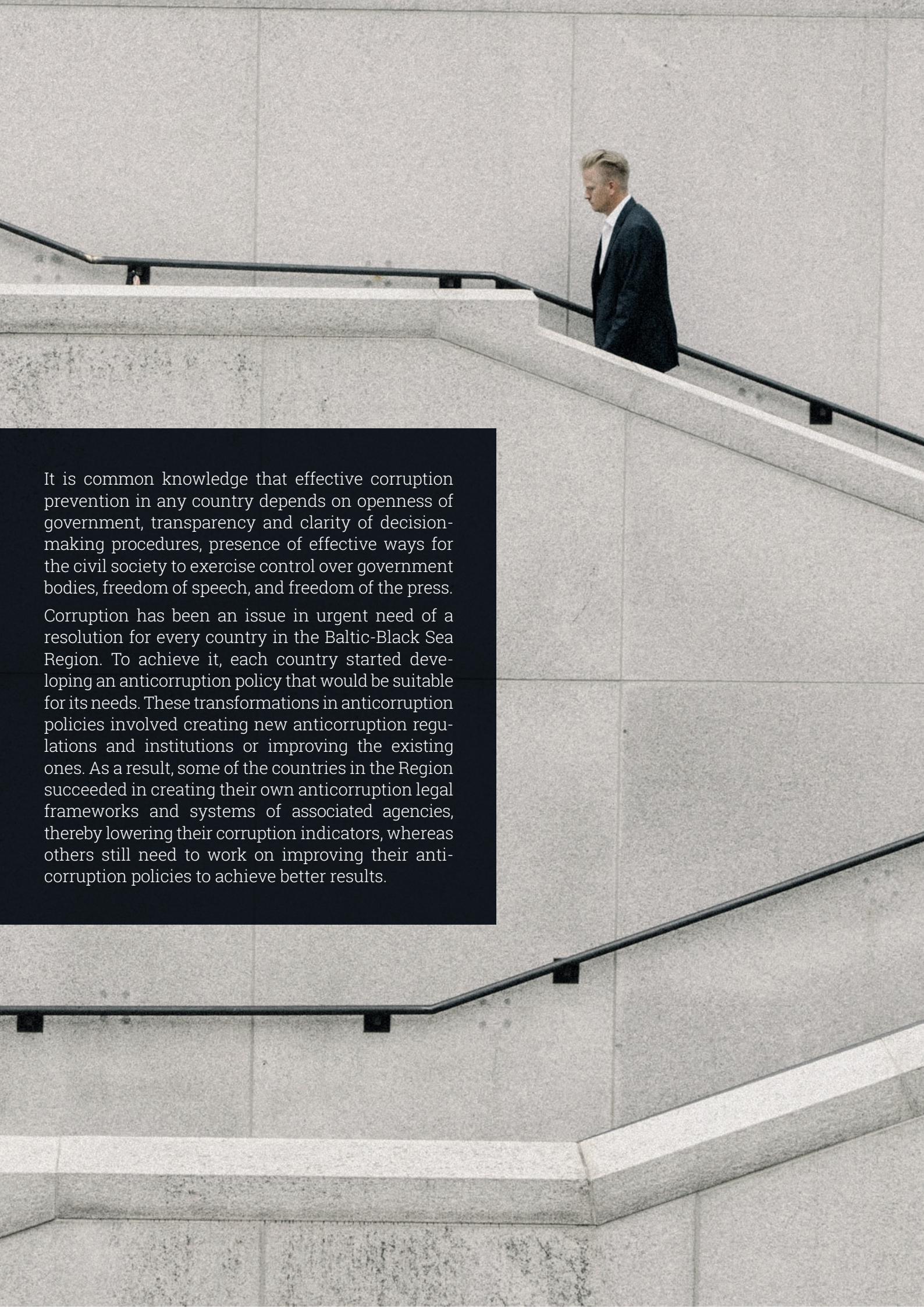
Corruption of any kind is always detrimental to social development, since it weakens the public's sense of security, discredits political institutions, and undermines the legitimacy of government. The need to create an efficient anticorruption mechanism is one of the most urgent at present. Every country in the world is developing its own legal framework and anticorruption authorities to fit its vision of such a mechanism.

It is common knowledge that, to be effective, an anticorruption policy must be a system of many components developed in a concerted anticorruption effort that involves the civil society and its institutions, cooperation with other countries, and increasing of the public's awareness of the ways to prevent and combat corruption.

Regulations and institutions that implement anti-corruption policy are its most important parts, since a legal framework with associated anticorruption institutions is the mark and foundation of an effective national anticorruption policy.

The current geopolitical processes in Europe expand the role of the Baltic-Black Sea Region as a buffer zone between the European Union and the Russian Federation. Therefore, the study of the regulations and institutions implementing national anti-corruption policies in the Baltic-Black Sea Region is relevant and practical, since it will show what anticorruption policies are typical of the Region and how far the countries in the Region have come in their anticorruption efforts.

## REGULATIONS AND INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES IN THE BALTIC-BLACK SEA REGION



It is common knowledge that effective corruption prevention in any country depends on openness of government, transparency and clarity of decision-making procedures, presence of effective ways for the civil society to exercise control over government bodies, freedom of speech, and freedom of the press.

Corruption has been an issue in urgent need of a resolution for every country in the Baltic-Black Sea Region. To achieve it, each country started developing an anticorruption policy that would be suitable for its needs. These transformations in anticorruption policies involved creating new anticorruption regulations and institutions or improving the existing ones. As a result, some of the countries in the Region succeeded in creating their own anticorruption legal frameworks and systems of associated agencies, thereby lowering their corruption indicators, whereas others still need to work on improving their anti-corruption policies to achieve better results.

**ESTONIA** is an example of a country that has made great strides in combating corruption, becoming a leader not only among the Baltic states but in the Central and Eastern Europe, even though it was the most corrupt of the Baltic states in the years following its declaration of independence.

The key to Estonia's successful anticorruption efforts were its large-scale, system-wide reforms (judiciary and public service reforms, introduction of online voting, criminalisation of party funding offences, etc) combined with a legal framework and distribution of authority.

The basic principles of Estonia's anticorruption policy are drawn in its constitution, criminal code, the Civil Service and Anticorruption Act, and other regulations. Notably, the Estonian anticorruption law includes international regulations such as the United Nations Convention against Corruption (UNCAC).

What makes Estonia's anticorruption policy different from that of other countries is **the absence of a separate anticorruption agency. The country's Ministry of Justice, Ministry of Finance, Prosecutor's Office, police, special parliament committees, and other authorities have additional anticorruption powers.**

Different agencies have different competencies where the implementation of Estonia's anticorruption policy is concerned. The body coordinating the anticorruption strategy is the Ministry of Justice of Estonia, and all the country's ministries and government agencies (each ministry has its own coordinator) are responsible for putting the strategy into practice.

Thus, investigation into corruption offences is in the purview of the police and the prosecutor's office. However, which agency has jurisdiction over which case depends on the subject of investigation. For example, corruption offences committed by local government officials or employees of privately-owned businesses are investigated by the Estonian police, crimes committed by national government officials are investigated by the security police, and those committed by law enforcement officials are investigated by the prosecutor's office.

Shadow economy and money laundering issues in Estonia are in the purview of the Financial Intelligence Unit, the Ministry of the Interior, and the Ministry of Finance.



## MAIN ANTICORRUPTION LEGISLATION

- the United Nations Convention against Corruption (UNCAC)
- the Constitution
- the Criminal code
- the Civil Service and Anticorruption Act

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – no unique national anticorruption institution.
- 2) Other authorities have additional anticorruption powers:
  - Ministry of Justice, Ministry of Finance,
  - Prosecutor's Office,
  - Police,
  - Special Parliament Committees.



Unlike Estonia, **LATVIA** has created a special anticorruption agency, the Bureau for Prevention and Combating of Corruption (KNAB). The Law of Latvia “On the Bureau for Prevention and Combating of Corruption” gives the organisation legal status. In addition to the law regarding the bureau, the Latvian anticorruption legislation includes the Criminal Code, the Code of Criminal Procedure, the Administrative Offence Code, and the Laws of Latvia “On Preventing Conflict of Interest in Public Service” and “On Financing Political Organisations (Parties)”.

As previously noted, the institutions that implement Latvia’s anticorruption policy include a special anticorruption agency that cooperates with the State Border Service, the financial police, and other agencies. The Ministry of the Interior and the Ministry of Finance of Latvia perform some anticorruption functions as well.

Latvia’s legal framework and special anticorruption agency with a wide range of functions and powers to prevent and combat corruption have been effective to some extent. Moreover, the strategy was supported by active regulatory development, seminars, trainings, and public awareness campaigns.

## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Code
- the Code of Criminal Procedure
- the Administrative Offence Code
- the Law of Latvia “On the Bureau for Prevention and Combating of Corruption”
- the Law of Latvia “On Preventing Conflict of Interest in Public Service”
- the Law of Latvia “On Financing Political Organisations (Parties)”.

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – the Bureau for Prevention and Combating of Corruption (KNAB).
- 2) Other authorities have additional anticorruption powers:
  - State Border Service,
  - Financial Police,
  - Ministry of the Interior,
  - Ministry of Finance.



**LITHUANIA'S** experience in developing its national anticorruption policy has also been successful. What makes the Lithuanian anticorruption policy work is its combination of a strong legal framework and a network of anticorruption agencies performing preventive functions.

Lithuania was able to implement anticorruption reforms when it joined international anticorruption agreements. Having taken the measures necessary and studied the experiences of other countries, Lithuania developed its own legal framework that included the laws "On the Special Investigation Service", "On Preventing Corruption", and "On the Code of Criminal Procedure". The Lithuanian anticorruption regulations govern all aspects of corruption prevention, including conflict of interest prevention, property declaration, public service ethics and transparency, money laundering prevention, and financial control over the use of public funds.

A system of agencies has been created in Lithuania to implement anticorruption measures. Chief among them is the Special Investigation Service of the Republic of Lithuania. Its legal status is determined by the law "On the Special Investigation Service". It is a law enforcement agency that reports to the President and the Seimas of the Republic of Lithuania. It has a wide range of powers including investigation of corruption-related crimes, raising of corruption awareness, and implementation of the National Anticorruption Programme.

In addition to the Special Investigation Service, the Lithuanian system of anticorruption agencies includes the Central Ethics Commission (the key regulator for preventing conflicts of interest among high-ranking officials), the Parliamentary Anticorruption Commission (monitoring the implementation of the National Anticorruption Programme, reviewing reports on anticorruption efforts by various organisations, analysing and discussing proposed changes to anticorruption legislation and the laws on other economic and financial crimes), the Interdepartmental Commission Coordinating Anticorruption Efforts (analysing and discussing concerted efforts to implement the National Anticorruption Programme and the operations of the central and regional agencies and departments that prevent and detect corruption associated crimes).

## MAIN ANTICORRUPTION LEGISLATION

- the Law of Lithuania "On the Special Investigation Service"
- the Law of Lithuania "On Preventing Corruption"
- the Law of Lithuania "On the Code of Criminal Procedure"

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – the Special Investigation Service of the Republic of Lithuania.
- 2) Other authorities have additional anticorruption powers:
  - Central Ethics Commission,
  - Parliamentary Anticorruption Commission,
  - Interdepartmental Commission Coordinating Anticorruption Efforts (led by the Minister of Justice).

Rather interesting information may be gleaned from **POLAND'S** experience, as it has been remarkably successful in preventing and combating corruption. Although the country's anticorruption policy is effective, at first, it lacked a system behind it, because there was no comprehensive regulatory act to set out the principles of the anticorruption policy, and there were no specially designated anticorruption institutions. The only anticorruption tool Poland had at the time was criminal legislation where several articles laid down the penalties for different kinds of bribery and abuse of office.

Subsequently, Poland introduced a number of regulations that formulated the principles of its anti-corruption policy, including the Law of Poland "On Counteracting Money Laundering and Terrorist Financing", the Code of Ethics of the Civil Service Corps, the Law of Poland "On the Central Anticorruption Office, and others.

In addition to expanding its anticorruption legal framework, Poland also created a network of institutions, each with its own strictly defined domain of competence, whose main objective was to prevent and combat corruption. These institutions include the Central Anticorruption Bureau, The Supreme Audit Office, the Office of Civil Service, the Public Procurement Office, the Internal Security Agency, the Anti-corruption Group, the Ministry of the Interior and Administration, the Police.

Fighting corruption in Poland is also in the purview of the Ministry of the Interior and Administration, the Speaker for Civil Rights, the Office of Civil Service, the Office of Public Service, the police, the Internal Security Agency, and the Public Procurement Office.

Poland has successfully rooted out corruption in the public sector by developing and implementing a wide range of anticorruption instruments, including stronger anticorruption measures in its criminal and administrative legislation, special anticorruption institutions, special instruments of internal and external control in public administration bodies, codes of conduct for public officials, etc.



## MAIN ANTICORRUPTION LEGISLATION

- the Code of Ethics of the Civil Service Corps
- the Law of Poland "On Counteracting Money Laundering and Terrorist Financing",
- the Law of Poland "On the Central Anticorruption Office"

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – Central Anticorruption Bureau.
- 2) Other authorities have additional anticorruption powers:
  - Supreme Audit Office (previously was the Supreme Chamber of Control),
  - Office of Civil Service,
  - Public Procurement Office,
  - Internal Security Agency,
  - Anticorruption Group,
  - Ministry of the Interior and Administration,
  - Police.

According to the Concept of National Security of the Republic of **BELARUS**, corruption is a threat to national security and, as such, one of the priorities of the country's internal anticorruption policy.

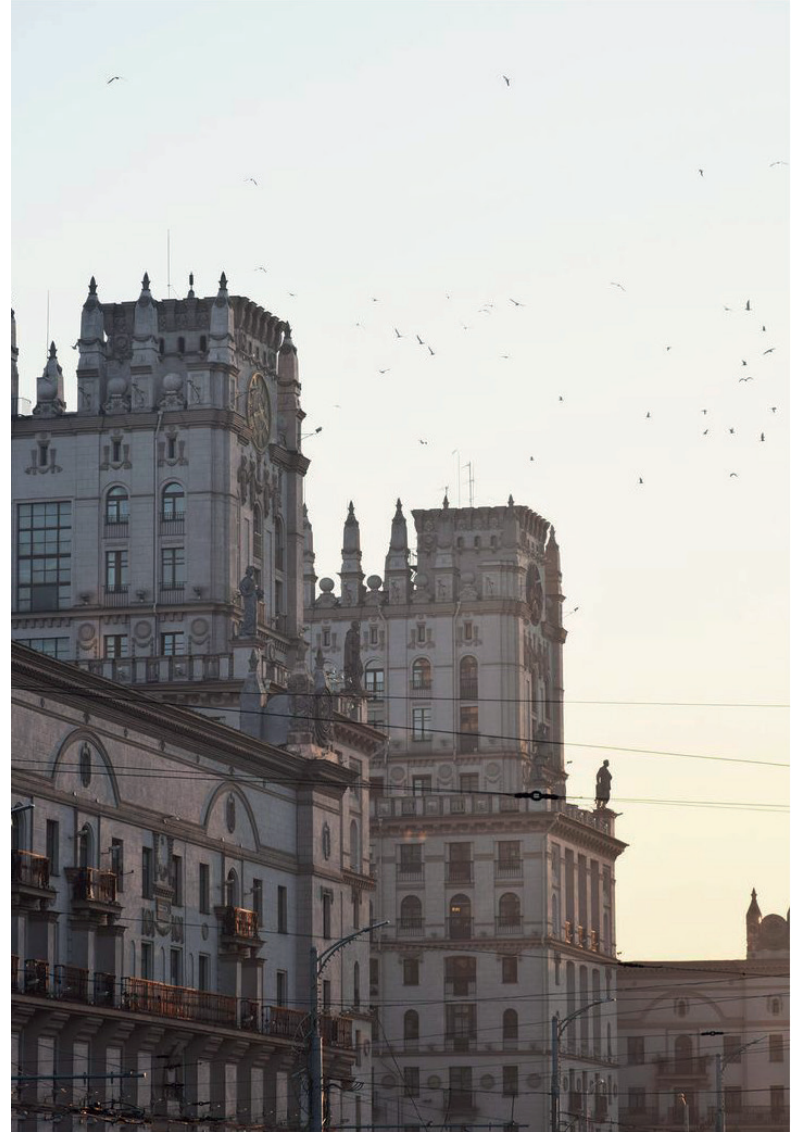
The Belarusian anticorruption policy includes a number of measures to detect and combat corruption such as the anticorruption legislation (laying down the principles of the anticorruption policy), a system of anticorruption agencies, and international cooperation.

The Labour Code, the Administrative Offences Code, and the Laws of Belarus "On Combating Corruption", "On Public Service in the Republic of Belarus", "On Measures to Prevent Money Laundering and the Financing of Terrorism and Proliferation", and "On Public Procurements" are the foundation of the Belarusian anticorruption legislation.

In addition to the extant legal framework, Belarus has also implemented anticorruption programmes and taken steps to improve the components of its anticorruption policy.

A comprehensive system of anticorruption bodies and their special departments has been created in Belarus to strengthen the institutional component of its anticorruption policy. In particular, such bodies include the prosecutor's office, the internal affairs authorities, and the national security agency.

The Office of the Prosecutor General of Belarus is the state body responsible for the anticorruption effort. Other organisations in whose purview it is to combat corruption in Belarus are the investigation committee, the Committee of State Control, the State Customs Committee and customs, the State Border Committee, and other border guard offices, the Ministry of Taxes and Duties and its inspectorates, the Ministry of Finance and its local offices, and other institutions as provided for by the law.



## MAIN ANTICORRUPTION LEGISLATION

- the Labour Code
- the Administrative Offences Code
- the Law of Belarus "On Combating Corruption"
- the Law of Belarus "On Public Service in the Republic of Belarus"
- the Law of Belarus "On Measures to Prevent Money Laundering and the Financing of Terrorism and Proliferation"
- the Law of Belarus "On Public Procurements"
- anticorruption programmes

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – no unique national anticorruption institution.
- 2) Other authorities have additional anticorruption powers:
  - Office of the Prosecutor General of Belarus.
  - Investigation Committee,
  - Committee of State Control,
  - State Customs Committee,
  - State Border Committee and other border guard offices,
  - the Ministry of Taxes and Duties and its inspectorates,
  - the Ministry of Finance and its local offices.



Unlike Belarus, **UKRAINE** based its anticorruption policy on the principles of the United Nations and the European Council. Ukraine has ratified the Criminal Law Convention on Corruption of the Council of Europe (27 January 1999), the Civil Law Convention on Corruption of the Council of Europe (4 November 1999), and the United Nations Convention against Corruption (31 October 2003).

After it had signed the European Union Association Agreement, Ukraine began the process of bringing its policy up to international standards including those that concern the fight against corruption. Thus, the Ukrainian anticorruption legal framework was made to include international legal acts, the Constitution, the Code of Administrative Offences, the Criminal Code, and the Laws of Ukraine "On Amendments to Certain Laws of Ukraine Regarding Penalty for Corruption Offences", "On Lustration", "On Corruption Prevention", "On the National Anticorruption Bureau of Ukraine", and "On Public Service".

Ukraine has also created a wide network of anticorruption bodies such as the National Agency on Corruption Prevention, the Asset Recovery and Management Agency, the National Anticorruption Bureau, the Special Anticorruption Prosecutor's Office, the Supreme Anticorruption Court, the Verkhovna Rada Committee on Anticorruption Policy, and the State Bureau of Investigation.

Each of the aforementioned organisations performs its own anticorruption function and has the authority to do so. For instance, the function of the National Agency on Corruption Prevention is to prevent corruption by monitoring the declarations of public officials for irregularities. The functions of the National Anticorruption Bureau include prevention, detection, discontinuation, and investigation of corruption offences. The Special Anticorruption Prosecutor's Office oversees the investigations by the National Anticorruption Bureau, supports state prosecution, and represents Ukrainian citizens and the state in corruption-related court cases. The State Bureau of Investigation is a pre-trial investigation body that is expected to become the Ukrainian counterpart of the American Federal Bureau of Investigation. Its function is to investigate corruption crimes committed by high-ranking officials, apart from the cases that fall under the jurisdiction of the NABU internal control department (meaning apart from the officials of the National Anticorruption Bureau of Ukraine, Deputy Prosecutor General and Head of the Special Anticorruption Prosecutor's Office, and other prosecutors of the Special Anticorruption Prosecutor's Office).

The Supreme Anticorruption Court of Ukraine considers only the biggest corruption cases investigated by the National Anticorruption Bureau. The function of the Asset Recovery and Management Agency is to trace assets, prove their criminal or corrupt origins, and confiscate them if the court so orders. Afterwards, the Agency may put up the assets for public auction.

## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Law Convention on Corruption of the Council of Europe (27 January 1999)
- the Civil Law Convention on Corruption of the Council of Europe (4 November 1999)
- the United Nations Convention against Corruption (31 October 2003)
- the Constitution
- the Code of Administrative Offences
- the Criminal Code
- the Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding Penalty for Corruption Offences"
- the Law of Ukraine "On Lustration"
- the Law of Ukraine "On Corruption Prevention"
- the Law of Ukraine "On the National Anticorruption Bureau of Ukraine"
- the Law of Ukraine "On Public Service"

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution:
  - National Agency on Corruption Prevention,
  - National Anticorruption Bureau,
  - Special Anticorruption Prosecutor's Office,
  - Supreme Anticorruption Court.
- 2) Other authorities have additional anticorruption powers:
  - Asset Recovery and Management Agency,
  - Verkhovna Rada (Parliament) Committee on Anticorruption Policy,
  - State Bureau of Investigation.



The situation surrounding the development of anti-corruption policy in **MOLDOVA** is slightly different. To combat corruption in the political and social spheres, the Moldovan government took several legislative and institutional measures, but they turned out to be less effective than expected. Some experts believe that the reason for this was the lack of funding and trained personnel who knew how to fight corruption, which resulted in the anticorruption policy being insufficiently incorporated in the Moldovan legislation.

In addition to the Criminal Code, the Laws “On Preventing and Combating Corruption”, “On Public Procurement”, and “On Declaration and Control of Incomes and Property”, and some other regulations, the Moldovan anticorruption legal framework includes various national anticorruption strategies adopted for certain periods.

Each anticorruption regulation covers a certain area of anticorruption efforts. For example, under the Moldovan Criminal Code, active and passive bribery, attempt to commit bribery, extortion, money laundering, and abuse of office are criminal offences. The Law of Moldova “On Preventing and Combating Corruption” introduces a package of anticorruption measures to protect human rights and involve the civil society in the fight against corruption. The law also proscribes bribery of foreign officials, influence peddling, and protectionism.

Important Moldovan anticorruption documents also include the National Strategy of Integrity and Combating Corruption for 2017–2020. It incorporates a number of principles to strengthen the integrity of the public sector at all levels and covers different sectors (parliament, government, public, local administration, etc). This strategy is important because it lays down the basic principles of the Moldovan anticorruption efforts in conjunction with international conventions and the Moldovan legal framework.

In order to build up the institutional part of its anti-corruption policy, Moldova has created a number of anticorruption bodies, including the National Anticorruption Centre (with a wide range of powers including evaluation of anticorruption laws and regulations), the Anticorruption Prosecutor’s Office (oversees all criminal investigations by the National Anticorruption Centre), and the National Integrity Centre (whose function is to monitor property and private interest and to penalise breaches of the legal regime of property and private interest, conflict of interest, repugnancy, and circumscription).



## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Code
- the Law of Moldova “On Preventing and Combating Corruption”
- the Law of Moldova “On Public Procurement”
- the Law of Moldova “On Declaration and Control of Incomes and Property”
- anticorruption strategies adopted for certain periods (for example, the National Strategy of Integrity and Combating Corruption for 2017–2020).

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution:
  - the National Anticorruption Centre,
  - the National Integrity Centre,
  - Anticorruption Prosecutor’s Office.
- 2) Other authorities have additional anticorruption powers

The anticorruption policy of **ROMANIA** is similar to the Latvian, Lithuanian, and Estonian models in that at first the fight against corruption was taken up by the extant law enforcement agencies and the anticorruption coordination bodies created under the Romanian government and President.

Romania's chief anticorruption agency is the National Anticorruption Directorate. It is authorised to conduct pre-trial investigations and oversee pre-trial investigations by judicial police officers. The Directorate also supports the prosecution in court and is part of the Prosecution Service under the Supreme Court of Cassation of Romania.

The chief anticorruption agency of Romania is given legal status by a number of regulations in the Criminal Code, the Code of Criminal Procedure, Law of Romania No. 78/2000 "On Prevention, Detection, and Punishment of Corruption", Government Decree No. 43/2002 (later confirmed by Law No. 503/2002 as subsequently amended), etc.

Notably, Romania's gradually improving anticorruption legislation was aimed at vesting the National Anticorruption Directorate with the authority it needs to combat corruption among high-ranking officials, whereas the less important corruption offences were entrusted to regular prosecution agencies. In order to improve the efficiency of the system of anticorruption bodies, it was given financial and legal independence by means of funding it from the state budget through the prosecutor general's office.

The Romanian anticorruption regulations define the powers that can be exercised by the country's chief anticorruption body. For instance, it is authorised to monitor telephone conversations, carry out video surveillance, trace vehicles, etc (Article 130 of the Code of Criminal Procedure of Romania).

Article 148 of the Code of Criminal Procedure of Romania gives detectives the mandate to work undercover as employees of various businesses and institutions, but only when the corruption offence being investigated is punishable by no fewer than seven years of imprisonment.

**Civil forfeiture** is an interesting **phenomenon** in Romania. A suspect is first given a chance to explain the origin of his or her funds. Then, if the person is unable to do so, the case is filed for a criminal proceeding to be initiated with subsequent confiscation based on court order or civil forfeiture is carried out with the person's consent (he or she may voluntarily transfer the money that has no official, documented origin to the state budget).

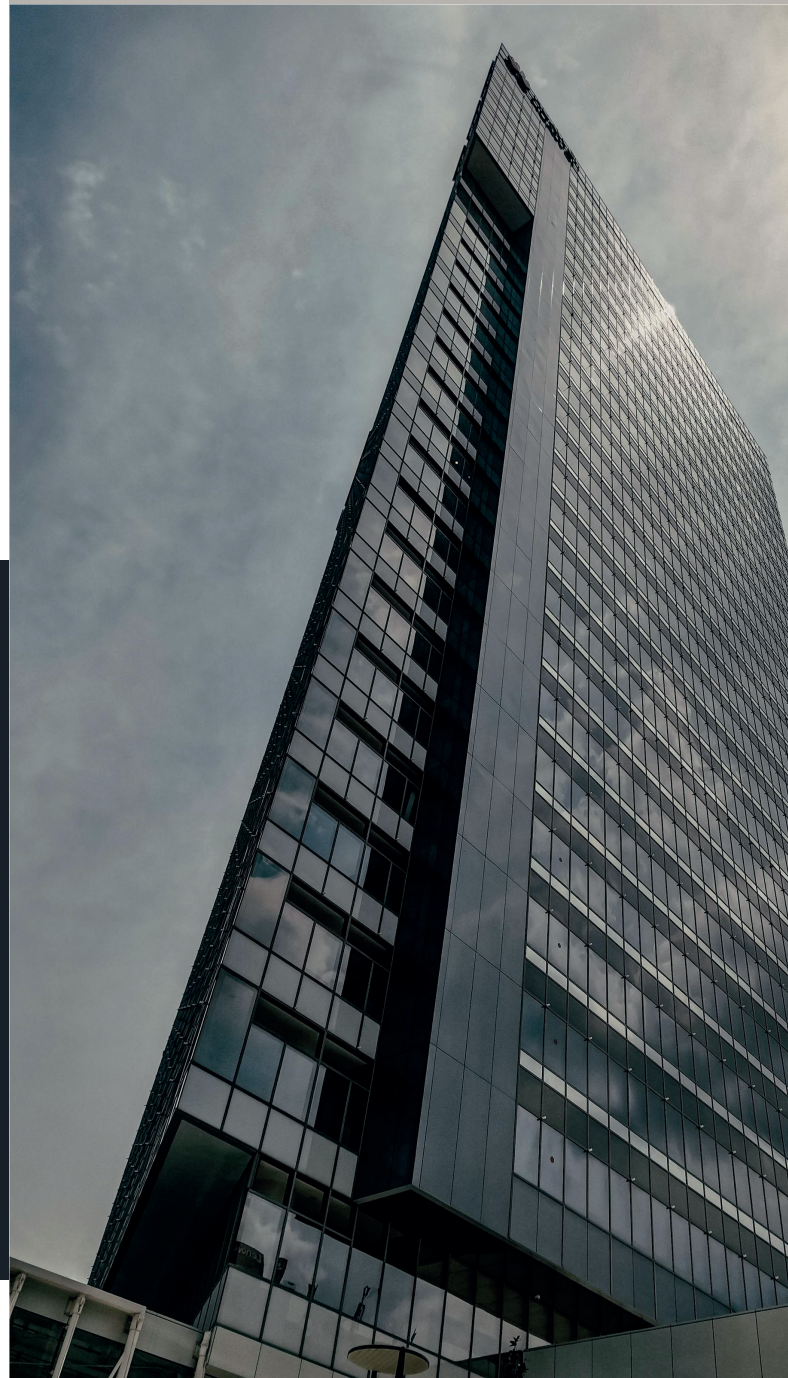
Furthermore, the current Romanian legislation also provides for **verification of the legality of inheritance bequeathed by a person suspected of corruption offences who cannot be prosecuted due to his or her death**. Even though the inheritors are considered to have obtained the assets legally, they cannot hinder the investigation or verification of the origin of their inheritance. If the property or funds are proven to have been gained by fraudulent or corrupt means, they are subject to confiscation pursuant to the general rule. Thus, owing to the strict regulations and strong institutions supporting its anticorruption policy, Romania has succeeded in its fight against corruption.

## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Code
- the Code of Criminal Procedure
- the Law of Romania No. 78/2000 "On Prevention, Detection, and Punishment of Corruption",
- the Government Decree No. 43/2002 (later confirmed by Law No. 503/2002 as subsequently amended)

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution
  - National Anticorruption Directorate.
- 2) Other authorities have additional anticorruption powers:
  - the Prosecution Service under the Supreme Court of Cassation of Romania.



**BULGARIA** is one of many countries where corruption is one of the biggest problems. As the country was transitioning to a market economy, decision making at the national level came to be influenced by newly formed unofficial groups mostly consisting of former communists.

Nevertheless, Bulgaria has made some progress in bringing its anticorruption legislation up to international standards, although further steps need to be taken for them to harmonise fully.

The Bulgarian anticorruption legal framework incorporates the Code of Administrative Procedure, the Code of Conduct for Government Officials, the Code of Ethics for Senior Executive Officials, the Laws of Bulgaria “On Administration”, “On Public Officials”, “On Conflict Prevention and Disclosure”, and “On Publicity of the Property of Senior Government Officials”, and other regulations.

In addition to bringing its anticorruption legal framework up to international standards, Bulgaria is working to create a system of effective anticorruption bodies. To that end, reforms are being introduced to establish a hierarchy of anticorruption bodies and distributing authority among them. In particular, the reforms have made it possible to establish Bulgaria’s key anticorruption authority, the National Anticorruption Policy Council under the Council of Ministers. Its function is to coordinate the operations of the organisations under it, set the goals for the anticorruption policy, and take steps to prevent and eradicate corruption. A number of specialised organisations were also created, including the National Anticorruption Commission of Bulgaria that prevents and combats corruption in legislative authorities, the Judiciary Anticorruption Committee, and the Anticorruption Committee under the Council of Ministers.

Bulgaria’s Anticorruption Effort Coordination Council was created to coordinate the anticorruption measures by different agencies. After the Law of Bulgaria “On Combating Corruption and Confiscation of Illegally Purchased Property” was passed in 2018, a special independent, permanent government agency was established to implement it – the Commission for Counteracting Corruption and Illegal Assets Forfeiture.



## MAIN ANTICORRUPTION LEGISLATION

- the Code of Administrative Procedure
- the Code of Conduct for Government Officials
- the Code of Ethics for Senior Executive Officials
- the Law of Bulgaria “On Administration”
- the Law of Bulgaria “On Public Officials”
- the Law of Bulgaria “On Conflict Prevention and Disclosure”
- the Law of Bulgaria “On Publicity of the Property of Senior Government Officials”

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution
  - National Anticorruption Policy Council under the Council of Ministers.
- 2) Other authorities have additional anticorruption powers:
  - National Anticorruption Commission of Bulgaria,
  - Judiciary Anticorruption Committee,
  - Anticorruption Committee under the Council of Ministers,
  - Bulgaria’s Anticorruption Effort Coordination Council,
  - Commission for Counteracting Corruption and Illegal Assets Forfeiture.

A business hub connecting Europe, the Middle East, and Africa, **TURKEY** did not escape the problem of corruption either. To solve it, the Turkish government regularly ratifies key anticorruption conventions and introduces reforms to curtail bureaucracy, simplify incorporation procedures, and reduce the number of requirements for permits.

Turkey has developed its own legal framework to combat corruption. It includes the Criminal Code (proscribing bribery, abuse of office, crimes in public office, and embezzlement), the Code of Criminal Procedure, and the Laws of Turkey "On Public Officials", "On Misconduct", "On Declaration of Property and Combating of Bribery and Corruption", "On Prevention of Money Laundering", and "On Terrorist Financing".

Moreover, Turkey has a document (Circular Order No. 2016/10) describing a number of measures to strengthen sanctions, increase public awareness, and set the rules of ethical conduct for public officials.

The key anticorruption agency in Turkey is the prosecutor's office that investigates corruption and bribery-related crimes. There are also the so-called Financial Crime Investigation Board (that prevents money laundering and terrorist financing and sometimes participates in corruption investigations related to its main line of work) and the Prime Minister's Inspection Board (that audits the finances and alleged corrupt practices of public and private institutions on behalf and with the permission of the Prime Minister).

## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Code
- the Code of Criminal Procedure
- the Law of Turkey "On Public Officials"
- the Law of Turkey "On Misconduct"
- the Law of Turkey "On Declaration of Property and Combating of Bribery and Corruption", "On Prevention of Money Laundering"
- the Law of Turkey "On Terrorist Financing"
- the Circular Order No. 2016/10 (describing a number of measures to strengthen sanctions, increase public awareness, and set the rules of ethical conduct for public officials)

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – no unique national anticorruption institution.
- 2) Other authorities have additional anticorruption powers:
  - Prosecutor's office
  - the Financial Crime Investigation Board,
  - the Prime Minister's Inspection Board.





**GEORGIA'S** anticorruption experience is unique, because although it has succeeded in eliminating corruption at the domestic level by implementing a wide range of measures, conditions conducive to its growth have been created at the highest level of government instead.

Therefore, Georgia used foreign anticorruption practices to develop its legal framework. To help with the implementation of anticorruption reforms, the country invited experts from international organizations such as the World Bank and the International Monetary Fund.

The legislative foundation of Georgia's anticorruption policy is its Criminal Code. Some anticorruption measures are found in the Laws of Georgia "On Public Service", "On Conflict of Interest and Corruption in Public Service", "On Lobbying", and others. Georgian anticorruption strategies mostly focus on the public sector, the private sector, the judiciary, and the policy-making activity.

The institutional component of Georgia's anticorruption policy is different from its counterparts in other countries in that, instead of a special anticorruption authority, corruption crimes are investigated by the Criminal Investigation Division under the Office of the Prosecutor General of Georgia. Anticorruption divisions have also been created under the Ministry of the Interior and the Ministry of Finance.

Furthermore, 2008 saw the creation of the Anticorruption Council whose main functions are coordination and monitoring of the anticorruption efforts in Georgia. The analytics department of the Ministry of Justice acts as the secretariat of the Anticorruption Council. The Council is funded by the state, the United States Agency for International Development (USAID), and the Eastern Partnership Fund of the Council of Europe.

## MAIN ANTICORRUPTION LEGISLATION

- the Criminal Code
- the Law of Georgia "On Public Service"
- the Law of Georgia "On Conflict of Interest and Corruption in Public Service"
- the Law of Georgia "On Lobbying"

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – no unique national anticorruption institution.
- 2) Other authorities have additional anticorruption powers:
  - Criminal Investigation Division under the Office of the Prosecutor General of Georgia,
  - Anticorruption divisions under the Ministry of the Interior and the Ministry of Finance,
  - Anticorruption Council,
  - The analytics department of the Ministry of Justice acts as the secretariat of the Anticorruption Council.

**THE RUSSIAN FEDERATION** also belongs to the Baltic-Black Sea Region. Like in many other countries, corruption is a major problem there.

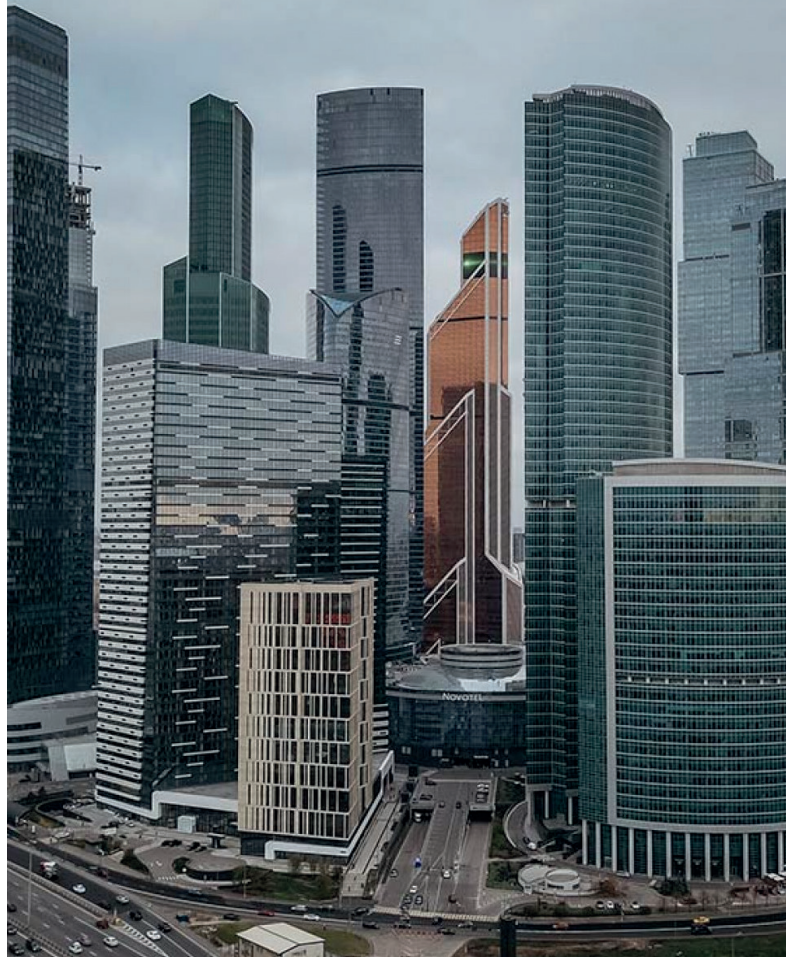
In the hopes of solving it, Russia is also upgrading its anticorruption legislation to bring it up to international standards. The Russian Federation has ratified a number of anticorruption conventions including the United Nations Convention against Corruption.

In addition to conventions, the Russian anticorruption legislation includes the Administrative Offences Code, the Criminal Code, and the Laws of the Russian Federation, "On combating corruption", "On control over the expenditures of public authorities", "On the prohibition of certain categories of individuals from having accounts in foreign banks", and "On combating money laundering".

The Russian anticorruption policy does not provide for a separate anticorruption authority. Instead, the Anticorruption Council under the President of the Russian Federation was created in 2003 by Presidential Decree No 1384. The Council included the Anticorruption Commission and the Conflict of Interest Commission. A new Anticorruption Council under the President of the Russian Federation has been working since 2008.

Investigations into corruption are carried out by local divisions of the Office of Criminal Investigations of the Russian Federation. A local prosecutor's office may open an administrative investigation into a corruption case.

Thus, we may conclude that two approaches to the development of anticorruption regulations and institutions are found in the Baltic-Black Sea Region. One of them is based on creating one or several separate anticorruption bodies. The other involves giving additional anticorruption powers to extant government bodies. Both approaches aim to create a strong legal framework to fight corruption in accordance with international standards.



## MAIN ANTICORRUPTION LEGISLATION

- the United Nations Convention against Corruption (UNCAC)
- the Administrative Offences Code
- the Criminal Code
- the Law of the Russian Federation "On combating corruption"
- the Law of the Russian Federation "On control over the expenditures of public authorities"
- the Law of the Russian Federation "On the prohibition of certain categories of individuals from having accounts in foreign banks"
- the Law of the Russian Federation "On combating money laundering"

## INSTITUTIONS IMPLEMENTING NATIONAL ANTICORRUPTION POLICIES

- 1) Unique National Anticorruption Institution – no unique national anticorruption institution.
- 2) Other authorities have additional anticorruption powers:
  - Anticorruption Council under the President of the Russian Federation (including the Anticorruption Commission and the Conflict of Interest Commission),
  - Local divisions of the Office of Criminal Investigations of the Russian Federation,
  - Local prosecutor's offices.

In addition to national law, the regulatory part of the anticorruption policies in the Baltic-Black Sea Region indirectly includes the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act. Although they were passed in the United States and the United Kingdom, respectively, these laws are extraterritorial, which means that they are applicable worldwide, provided certain criteria are met, of course.

The FCPA and the U.K. Bribery Act are applicable to physical persons and legal entities regardless of location. Any company that intends to start a joint venture, engage in a merger or acquisition with a foreign partner, float its shares on the American or British stock exchanges, or render services to American or British companies may come under scrutiny under these laws.

## IN LIEU OF A CONCLUSION

From the standpoint of geopolitics and geo-economy, the Baltic-Black Sea Region has not yet had the opportunity to play an important part in Eurasia. Pinned between two civilisation platforms, it is a collection of countries that simply happen to be neighbours who can cooperate but, as fate would have it, are still on the opposite sides of Europe.

Before, the Region was the place where two opposing ideologies collided. Now, instead of the communist ideology, corruption is advancing from the East, trying to take as much territory as it can. Therefore, corruption is the main problem the Baltic-Black Sea states face. Despite the best efforts of international organisations and national governments, the situation has not improved.

In their present state, the anticorruption efforts at the national level are closer to anticorruption populism, since the laws and institutions meant to fight corruption mostly underperform because the government and the national political elites lack the political will to give them full authority while the society remains silent.

Such a state of affairs will continue until the way corruption is perceived changes on the largest, global scale, until the world's democracies stop viewing this social blight as an external threat and start viewing it as an internal threat to their national security. For the situation to change, internal and external policies have to be amended and monetary flows made transparent, particularly those coming from corrupt countries. Lastly, the consumers of "dirty money" need to disappear.

Only then we will be able to speak of positive developments in the Region's anticorruption policy. For now, we are observing an apt illustration to the old adage about fish rotting from the head down.





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