

Business Integrity at the EBRD

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for Reconstruction and Development



- The EBRD’s Office of the Chief Compliance Officer (“OCCO”) protects the integrity and reputation of the Bank and promotes ethical standards of behaviour.
- Corruption is a major risk in our countries of operations – both financially and reputationally. It is also a barrier to development and achievement of SDG 16.
- OCCO promotes business integrity through:
 - Integrity due diligence
 - Investigations
 - Policy work



- The EBRD rigorously reviews the integrity and reputation of all its projects.
- Projects that are characterised as “high risk” receive additional scrutiny. In 2016, OCCO reviewed 435 projects.
- Where appropriate, OCCO may support a transaction that would otherwise be unacceptable, if the company agrees to implement business integrity reforms – such as through a Compliance Action Plan.

Compliance Action Plan – Azerbaijan

- OCCO was approached in 2016 about a proposed engagement with a newly established company in Azerbaijan with serious integrity risks.
- Company agreed, as a pre-condition, to engage a consultant to review its compliance program and prepare a report with recommendations for improvement.
- Recommendations included (i) establishment of a compliance officer function, (ii) communication of a zero-tolerance policy for corruption, (iii) improved staff training, and (iv) completion of an internal compliance risk assessment.
- The EBRD agreed to provide financing to the company, on the condition that all recommendations must be implemented before any EBRD funds are disbursed.



- OCCO's investigations team reviews allegations of Prohibited Practices committed by third-parties in connection with Bank projects.
- If a Prohibited Practice has occurred, this can result in debarment of the relevant entities, and then cross-debarment by other International Financial Institutions.
- The Bank increasingly uses Conditional Non-Debarment where a client demonstrates a credible willingness to reform. The company agrees to work with a compliance monitor to complete a compliance assessment and action plan, with no debarment so long as the company makes adequate progress.
- Conditional Non-Debarment helps to educate companies about compliance risks, prevents future misconduct, and can create lasting change in the business integrity environment.

Conditional Non-Debarment - Ukraine



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- In 2016, the EBRD agreed to the 3 year, conditional non-debarment of a medium-sized, regional grain trading company in Ukraine.
- The company was understood to have made a USD 380,000 facilitation payment to have its land registered.
- The conditional non-debarment requires the company to (i) appoint a compliance officer, (ii) include anti-corruption commitments in employment contracts, and (iii) implement mandatory annual disclosure by employees of any conflicts of interest.
- If the company fails to make adequate progress, the EBRD can pursue debarment.



- OCCO supports and contributed to the development of Ukraine's Business Ombudsman Council.
- OCCO has recently delivered Anti-Money Laundering and Countering the Financing of Terrorism seminars in Ukraine, Moldova, Kazakhstan, and other jurisdictions.
- The EBRD, OECD and UNDP are jointly organising a series of seminars on "Business Integrity in the Southern Caucasus, Belarus, Moldova, Ukraine And Turkey". The next seminar will be in Tbilisi, Georgia in 2018.
- The EBRD and OECD are both founding partners of The Ukrainian Network of Integrity and Compliance (UNIC) a private sector initiative to promote ethical and responsible business conduct in Ukraine.