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**Review of the implementation of the United Nations
Convention against Corruption**

Implementation of chapter II (Preventive measures) of the United Nations Convention against Corruption

Thematic report prepared by the Secretariat

Summary

The present report contains information available as of September 2021 on the prevalent successes, good practices, challenges and observations identified in the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, with a focus on the implementation of chapter II (Preventive measures) of the Convention.

* [CAC/COSP/2021/1](#).



I. Introduction, scope and structure

1. In accordance with paragraphs 35 and 44 of the terms of reference of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, the present thematic report has been prepared in order to compile the most common and relevant information on successes, good practices, challenges and observations contained in the completed executive summaries and country review reports.

2. The present report contains information on the implementation of chapter II (Preventive measures) of the Convention by States under review in the second cycle of the Implementation Review Mechanism. It is based on information contained in the finalized executive summaries and country review reports of the 57 reviews that had been completed as at 21 September 2021. The report focuses on existing trends and nuances in implementation, and includes tables, text boxes and figures exemplifying the most prevalent challenges and good practices. The trends identified in the present report are largely consistent with those identified in the previous thematic reports. Generic regional differences have been reflected as appropriate.¹ In addition, a report on the issues of asset declarations, financial disclosure systems and prevention of conflicts of interest in the public sector (art. 7, para. 4; art. 8, para. 5; and art. 52, paras. 5 and 6, of the Convention) and beneficial ownership identification (art. 14, para. 1 (a); and art. 52, para. 1, of the Convention) has been prepared to inform the Conference of detailed trends and nuances, including successes and challenges, identified in the reviews at the regional level ([CAC/COSP/2021/7](#)).

3. The structure of the present report follows that of the executive summaries by clustering closely linked articles and topics. Related information, such as on measures to prevent and detect transfers of proceeds of crime, can be found in the thematic report on the implementation of chapter V ([CAC/COSP/2021/6](#)).

II. General observations on challenges and good practices in the implementation of chapter II of the United Nations Convention against Corruption

4. Figures I and II and tables 1 and 2 below represent data from 57 country reviews and provide an analytical overview of the common challenges and good practices in the implementation of chapter II of the Convention.²

¹ The present report builds on 19 completed reviews for the Group of African States, 17 for the Group of Asia-Pacific States, 10 for the Group of Western European and other States, 6 for the Group of Latin American and Caribbean States and 5 for the Group of Eastern European States. Thus, the recommendations and good practices identified may not be as representative for some regional groups as they are for others.

² Data used in the preparation of the present report are based on country reviews finalized as at 21 September 2021.

Figure I
Challenges identified in the implementation of chapter II of the Convention

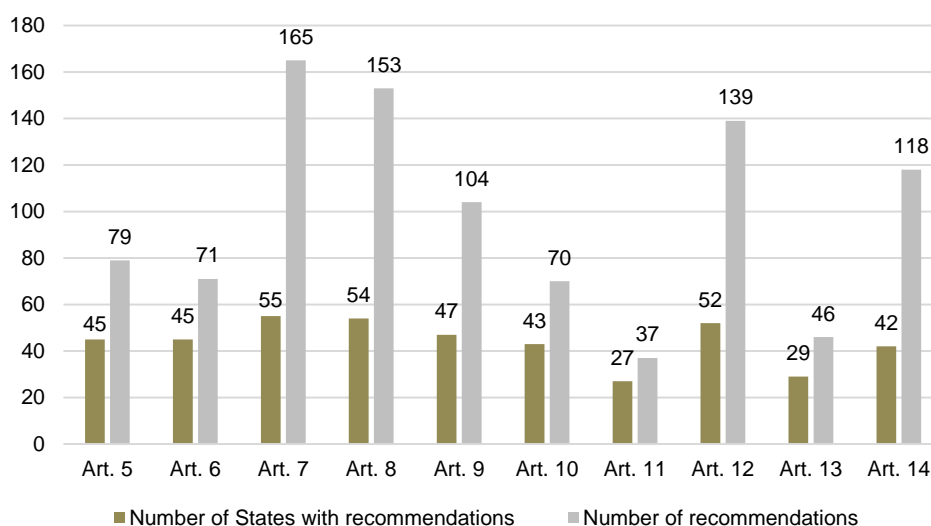


Table 1
Most prevalent challenges in the implementation of chapter II of the Convention

Article of the Convention	Number of States with recommendations	Number of recommendations issued	Most prevalent challenges in implementation (in order of article of the Convention)
Article 5	45	79	Weak coordination and implementation of anti-corruption policies, including lack of methodologies to measure progress and impact, lack of timelines and lack of accountability structures; national anti-corruption policies that are limited in scope, coherence and effectiveness; lack of corruption prevention measures; and insufficient inclusion of stakeholders in determining the implementation and revision of anti-corruption strategies
Article 6	45	71	Lack of designated preventive anti-corruption bodies and insufficient resources for such bodies; laws inadequate to ensure the operational independence of anti-corruption bodies with preventive functions; lack of adequate training for staff; and poor coordination among various anti-corruption bodies, including lack of mechanisms to facilitate such coordination
Article 7	55	165	Inadequate procedures for the selection, training and rotation of individuals in terms of public positions considered especially vulnerable to corruption; insufficient transparency in the recruitment of public officials; inadequate criteria concerning candidatures for and election to public office; lack of comprehensive legislation or administrative measures to regulate the funding of candidates for elected office and the funding of political parties; and insufficient legislation or mechanisms to prevent or regulate conflicts of interest
Article 8	54	153	Lack of codes of conduct for public officials, or their limited application to certain groups of public officials; limited reporting channels and protection measures for reporting officials; and inadequate measures to prevent conflicts of interest, including on outside activities, secondary employment, asset declarations and acceptance of gifts
Article 9	47	104	Non-existent, ineffective or complex systems of national review and appeal in public procurement; inadequate selection, screening methods and training for procurement officials; no obligation for procurement officials to declare their assets and interests; lack of efficient information and communications technology-based procurement systems (e-procurement); limited transparency in the budget adoption process; and no or limited systems of risk management and internal control in the management of public finances

Article of the Convention	Number of States with recommendations	Number of recommendations issued	Most prevalent challenges in implementation (in order of article of the Convention)
Article 10	43	70	Lack of legislation or measures to regulate public access to information and, where such legislation and measures are in place, gaps in the existing frameworks and inadequate application thereof, and limited measures to assess and identify areas for improvement; overly complex administrative procedures for public service delivery and access to information; and limited data-collection systems to identify, monitor and analyse corruption risks in the public sector
Article 11	27	37	Lack or insufficiency of measures to strengthen judicial integrity and integrity in the prosecution service, and lack of mechanisms to ensure compliance with relevant measures
Article 12	52	139	Limited cooperation between law enforcement agencies and private entities; lack of or narrowly defined post-employment restrictions for former public officials; inadequate measures to prevent the misuse of procedures regarding subsidies and licences granted by public authorities for commercial activities; limited standards and procedures to safeguard the integrity of private entities, and inadequate measures to monitor compliance with those standards and procedures; and lack or inadequacy of legislation on the non-deductibility of expenses that constitute bribes
Article 13	29	46	Limited participation of civil society in preventing and combating corruption, including as a result of the lack of or inadequate implementation of relevant laws and procedures; failure to consult with civil society during the development of anti-corruption strategies, policies or legislation; insufficient collaboration between relevant government agencies and civil society; inadequate measures or mechanisms for reporting corruption; and lack of public awareness campaigns and education programmes to prevent corruption
Article 14	42	118	Country-specific gaps in the regulatory and supervisory frameworks aimed at countering money-laundering and the financing of terrorism; incomplete implementation of standards and recommendations issued by other international monitoring bodies; inadequate measures to detect and monitor the cross-border transfer of cash and bearer negotiable instruments; and insufficient supervision of money or value transfer services

Figure II
Good practices identified in the implementation of chapter II of the Convention

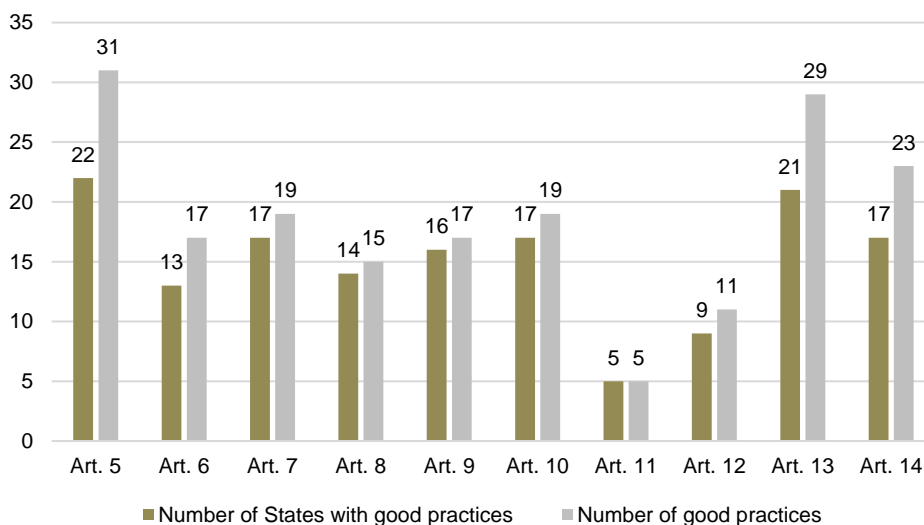


Table 2
Most prevalent good practices in the implementation of chapter II of the Convention

<i>Article of the Convention</i>	<i>Number of States with good practices</i>	<i>Number of good practices issued</i>	<i>Most prevalent good practices (in order of article of the Convention)</i>
Article 5	22	31	Active participation in international and regional organizations and programmes that address corruption; establishment of anti-corruption strategies and policies, and monitoring of their progress and impact, in consultation with stakeholders; and implementation of a wide range of activities and measures to prevent corruption, including national campaigns and the inclusion of integrity principles in educational curricula
Article 6	13	17	Establishing operational anti-corruption units in public institutions; having independent budgets for preventive anti-corruption bodies; providing adequate resources, specialized staff and anti-corruption training for the personnel of such bodies; and coordinating effectively among preventive anti-corruption bodies
Article 7	17	19	Identification of positions considered especially vulnerable to corruption, and adoption of additional measures to regulate such positions; advertising vacancies for public positions by various means; comprehensive regulation for the funding of candidatures and political parties; and enhanced integrity training for public officials
Article 8	14	15	Measures to promote integrity and ethics and prevent corruption in the public service; integrity units in different ministries and offices; adequate protection for reporting officials; and measures to prevent conflicts of interest
Article 9	16	17	Use of electronic procurement systems and integrity pacts; suspension of contract awards during appeal processes; diverse measures to ensure transparency in public tendering; and measures to promote transparency in the budget process, including through the use of guides, interactive online tools and social media to expand engagement
Article 10	17	19	Strong framework for access to information complemented by awareness-raising efforts, training for the personnel responsible for providing information and managing online platforms; and simplification of administrative procedures through the use of electronic means
Article 11	5	5	Development of a case-management system to enhance transparency in case distribution
Article 12	9	11	Broad participation of the private sector in the development of anti-corruption policies; and enhanced measures to promote transparency among private entities
Article 13	21	29	Measures to promote public participation and broad consultations, including e-platforms that make publicly available all draft laws to facilitate feedback and comments from non-State actors; facilitation of the reporting of corrupt conduct to anti-corruption bodies through multiple channels; broad access to public documents and open data; the development of tailored educational curricula on integrity; and frequent training activities and information campaigns, including through national youth networks
Article 14	17	23	Well-established national regime for preventing money-laundering and the financing of terrorism, including establishment of beneficial ownership registers; effective inter-agency coordination; and promotion of regional and international cooperation on countering money-laundering

III. Implementation of chapter II of the United Nations Convention against Corruption

A. Preventive anti-corruption policies and practices (art. 5) and preventive anti-corruption body or bodies (art. 6)

5. Broadly, States have taken three different approaches to implementing article 5 of the Convention: (a) the development of a comprehensive national anti-corruption strategy, as a single document or as a document embedded in other government documents; (b) sector-specific anti-corruption strategies; or (c) the application of an implicit policy, which, even if not always codified in a specific document, is implemented through consistent efforts to include provisions to prevent corruption when drafting legislation, and through the adoption of specific preventive measures.

6. Most States have adopted, or are in the process of adopting, specific anti-corruption strategies and action plans. In several States, such strategies and plans are buttressed by constitutional provisions in which anti-corruption values are enshrined. Anti-corruption policies may be contained in legislation, departmental policy documents, or development or national integrity plans. These approaches were seen as sufficient by the reviewers.

7. Approximately 19 per cent of the States reviewed have either implemented implicit anti-corruption policies or have focused on sectors of public administration without developing a comprehensive strategy with a national scope. Two States had neither an explicit nor an implicit anti-corruption policy or strategy in place and recommendations were issued in that regard.

8. Nearly all States have established a coordination mechanism to help ensure that all public bodies with responsibilities under the anti-corruption policy are actively engaged in its implementation. Two different approaches have emerged as trends: (a) the creation of a new coordinating body or high-level coordination committee to manage implementation and oversight; and (b) the use of existing structures, such as anti-corruption commissions and line ministries.

9. The coordination of anti-corruption policies at the national level has continued to pose challenges, and reviewers have noted the need to ensure greater coherence in the formulation of such policies. Enhancing coordination between national and departmental anti-corruption policies, increasing opportunities for information exchange and establishing monitoring and evaluation mechanisms to measure impact have been recommended.

10. A good practice that continues to be identified in the course of the reviews is the inclusion of a wide range of stakeholders, including civil society, in the development, implementation and review of anti-corruption strategies or policies.

11. States have implemented a variety of practices aimed at the prevention of corruption, including: (a) the development of codes of conduct; (b) the introduction or enhancement of asset- and interest-disclosure systems; (c) the organization of awareness-raising and educational activities and the inclusion of integrity-related topics in school curricula; (d) the establishment of whistle-blowing mechanisms for public officials; (e) the provision of training for public officials; and (f) the development of tools to manage risks of corruption. The establishment of integrity and anti-corruption units in governmental bodies and the publication of annual reports by anti-corruption bodies have also been identified as good practices, and States have reported that their anti-corruption bodies review relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption. States that have not afforded anti-corruption bodies the opportunity to play such a role or have not established appropriate monitoring and evaluation methodologies to assess anti-corruption measures and their impact have received recommendations in that regard.

12. All States have reported on their membership or involvement in regional and international organizations, programmes and projects aimed at the prevention of corruption, including the Action Group against Money Laundering in Central Africa, the Advisory Board on Corruption of the African Union, the African Association of Anti-Corruption Authorities, the Anti-Corruption Initiative for Asia and the Pacific of the Asian Development Bank and the Organisation for Economic Co-operation and Development, the Arab Anti-Corruption and Integrity Network, the Asia/Pacific Group on Money Laundering, the Asset Recovery Inter-Agency Network for Southern Africa, the Association of Anti-Corruption Agencies in Commonwealth Africa, the Association of Supervisors of Banks of the Americas, the Eastern and Southern Africa Anti-Money Laundering Group, the Economic Community of Central African States, the Egmont Group of Financial Intelligence Units, the European Partners against Corruption, the Financial Action Task Force of Latin America, the Global Anti-Corruption Initiative of the United Nations Development Programme, the Global Organization of Parliamentarians against Corruption, the Group of 20 Anti-Corruption Working Group, the Group of States against Corruption of the Council of Europe, the International Anti-Corruption Academy, the International Association of Anti-Corruption Authorities, the International Criminal Police Organization (INTERPOL), the Middle East and North Africa Financial Action Task Force, the Network of National Anti-Corruption Institutions in West Africa, the Network of National Anti-Corruption Institutions in Central Africa, the Organization for Security and Cooperation in Europe, the Pacific Association of Supreme Audit Institutions, the Pacific Islands Law Officers' Network, the Pacific Transnational Crime Network and the South East Asia Parties against Corruption mechanism.

13. International treaties and mechanisms, such as the African Union Convention on Preventing and Combating Corruption and the Mechanism for Follow-Up on the Implementation of the Inter-American Convention against Corruption, have also been noted as relevant. Some States have provided information on memorandums of understanding that have been agreed with other States to prevent and combat corruption.

14. The location of preventive bodies in national institutional structures, and therefore their independence, varies. States typically establish a new, autonomous institution or task existing institutions with relevant preventive functions, such as ethics committees, line ministries, financial intelligence units, offices of ombudspersons and public service departments, with preventing corruption and implementing national anti-corruption policies. Only three States reported that they had no specialized preventive body in place and recommendations were issued in that regard.

15. States take different approaches to ensuring the independence of corruption prevention bodies, such as the provision of constitutional guarantees and the adoption of appropriate legal provisions, including on security of tenure, budget and staffing. Recommendations have been issued where such bodies were not found to possess the necessary independence, were found to operate under the control of other institutions or lacked an autonomous budget.

16. Gaps in the implementation of articles 5 or 6 of the Convention have been identified in all but two of the States under review. The main challenge for States in the African Group is the lack of effective anti-corruption policies. Among States in the Asia-Pacific Group, the gaps most frequently identified relate to the coordination and implementation of anti-corruption policies and the inadequacy of measures such as awareness-raising or education programmes to prevent corruption.

17. Insufficiency of resources is a challenge common to the preventive anti-corruption bodies of States in the African Group and the Eastern European Group. Inadequate independence, in law and in practice, is a challenge common to the preventive anti-corruption bodies of several States in the African Group and the Asia-Pacific Group.

18. A total of 44 States have officially informed the secretariat of their designated preventive anti-corruption bodies. The others have been encouraged to fulfil that reporting obligation.

B. Public sector (art. 7), codes of conduct for public officials (art. 8) and measures relating to the judiciary and prosecution services (art. 11)

19. All States have established rules and procedures governing the recruitment, hiring, retention, promotion and retirement of public officials in their constitutions, laws governing the civil service and other dedicated laws, or administrative decrees. Some States also have specific human resources manuals or guidelines for civil servants. Although officials may be subject to different rules depending on their categories, most countries have merit-based systems or prescribe principles of efficiency and transparency for the administration of public officials. While most States apply competitive procedures for the recruitment and promotion of public officials, a few prefer to use internal rotation or appointment over external recruitment. However, one State reported that it used the drawing of lots in the recruitment of public officials in strictly defined scenarios.

20. There is some variance among the reviewed States regarding their institutional structures for the administration of public officials. While some countries have established centralized bodies to be in charge of the recruitment and retention of their public officials, others tend to delegate such authority to specific government agencies. In addition, some States use a hybrid approach to regulate different levels of public officials, with senior officials being subject to centralized administration with special measures.

21. Many countries advertise vacancies publicly online, in newspapers and through government portals. In this regard, Morocco has created a one-stop website for submitting applications for all positions in the public service. In addition, some countries have appeal mechanisms in place through which unsuccessful candidates may challenge a hiring decision. Such mechanisms vary across countries and range from lodging a complaint with a designated agency and appealing to a special committee to filing an administrative lawsuit with a court.

22. Most States have not identified positions considered especially vulnerable to corruption. As a result, States either do not have a rotation system or other enhanced measures in place or apply the same requirements to all public positions. Nevertheless, a small number of States have taken additional measures for the selection, rotation and training of individuals with regard to public positions deemed vulnerable to corruption or have specifically identified such positions in their public administration systems. Such positions include those in the legislature and in law enforcement, judiciary, inspection, customs and taxation authorities, as well as in relation to the procurement and allocation of licences and permits. These measures have been recognized as good practices.

Box 1

Good practices identified in the implementation of article 7, paragraph 1 (b), of the Convention

The Anti-Corruption Commission in Malaysia has assessed corruption risks in the public service and drawn up a list of areas especially vulnerable to corruption. On the basis of that risk matrix, Malaysia has taken measures, in particular training and rotation, to mitigate the risks. In a number of other States, officials who hold such positions must submit a declaration of interests or assets on a regular basis, or are subject to regular rotation as governed by law.

23. A large number of States have highlighted that education programmes or specialized training, especially on anti-corruption, integrity, ethics and codes of

conduct, are available to public officials, and several States have made such training mandatory. Nevertheless, the absence or inadequacy of specific integrity and anti-corruption training or the limited availability of such training for certain public officials has been identified as an implementation gap in several countries. With regard to remuneration, many States have demonstrated that adequate remuneration is provided to public officials, including through negotiations with trade unions.

24. All States have relevant legislation, such as constitutions or specific laws, setting out criteria concerning candidature for and election to public office (relating to art. 7, para. 2, of the Convention), although in some cases the limited scope was identified as a gap. Candidates with criminal convictions, in particular for corruption and fraud offences, are commonly barred from running for elected office.

25. More than half of the States have referred to their rules on the funding of candidatures for elected public office. Moreover, most States have legislation in place to regulate the funding of political parties (relating to art. 7, para. 3, of the Convention). Such rules include provisions on funding sources, bookkeeping and recording, disclosure or public scrutiny, and applicable sanctions. The adoption or amendment of specific laws in this area have been under discussion in a number of States. However, six States have reported that they have no political parties and that, consequently, no law pertaining to that issue is needed.

26. In addition, national legislation relating to funding for candidates for election and political parties in various States remains divergent in its content and coverage. For instance, some States allow for funding from both public and private sources, while several other States either provide for public funding as the main or sole source of political financing or only allow for private funding for elections and political parties. Two States reported that fundraising was prohibited. Furthermore, a number of States have established various contribution limitations for donations, such as the maximum donation allowed from individual persons and private entities, or have prohibited anonymous or foreign donations. In Palau, it was commended that filed campaign statements were taken as public records and subject to scrutiny. In general, inadequate rules on political financing to ensure transparency were identified as a significant challenge.

27. Almost all countries have put in place rules on the prevention of conflicts of interest (relating to art. 7, para. 4, and art. 8, para. 5, of the Convention), but the scope and content of the applicable frameworks and the types of prohibited interests vary significantly. Countries have reported a range of measures, such as prohibiting or restricting secondary employment or outside activities, imposing limitations on gifts and requiring financial disclosure for certain public officials. Many States have adopted systems and procedures for public officials to declare their existing or potential conflicts of interest. Nauru has established a mandatory register of interest declarations for parliamentarians. Sanctions on non-compliance are widely imposed, including criminal sanctions in a few countries. However, a small number of States reported that they do not have a scheme to implement those restrictions and sanctions for preventing conflicts of interest. Although several States have defined conflicts of interest in their legislation, the difficulty in deciding what constitutes a conflict of interest was reported as a challenge.

28. There are no specific regional trends in the implementation of article 7 of the Convention, as all but two States in the different regional groups have received recommendations on various provisions.

29. With regard to article 8 of the Convention, all States have referred to their various laws and measures in promoting integrity, honesty and responsibility among public officials, such as the requirement to take oaths of office. All States have also reported that various codes of conduct or ethics are in place or under review for public officials. In that regard, most countries have adopted general codes of conduct for all public officials or for most civil servants, whereas more than half of the States have adopted sectoral codes of conduct or have delegated different agencies to develop their specific codes. In addition, some States have referred to their adoption of the

International Organization for Standardization standard 37001 for anti-bribery management.

30. In a number of States, the codes of conduct are enforceable, in particular with regard to certain types of public officials, such as through administrative procedures (relating to art. 8, para. 6, of the Convention). Several of those States have duly incorporated the codes into different legislation or regulations, and non-compliant public officials are therefore subject to disciplinary sanctions. One State reported that criminal penalties may even be applied to breaches of such ethical standards. Moreover, some countries have designated a special agency, the heads of the various agencies, or ethics commissions or ombudspersons to monitor the enforcement of the codes of conduct and receive complaints.

31. Measures or procedures to facilitate the reporting by public officials of acts of corruption (relating to art. 8, para. 4, of the Convention) vary among States. More than half of the States have indicated that public officials have a duty to report corrupt conduct, although some of those States may not have adequate reporting procedures in place. In a number of countries, sanctions exist for public officials who fail to report acts of corruption or other misconduct. Several countries have referred to the use of clear procedures and various platforms or dedicated channels to facilitate reporting, anonymously or otherwise. For example, the Law on the Whistle-blowing System in Armenia envisages relevant reporting through a unified electronic platform. In addition, more than one third of the States have reported legislative and other measures, such as the adoption of dedicated laws and application of legal, personal or occupational protection, to protect persons, including their close relatives, reporting in good faith.

32. Most countries have put in place requirements for the regular submission of asset declarations by public officials at certain levels (relating to art. 8, para. 5, of the Convention). However, the specific practices in that regard differ significantly among States. For instance, some countries have included the family members of selected public officials in the same financial disclosure category as the officials themselves, whereas a few others have extended such disclosure systems to all public officials. In addition, reporting periods for officials obliged to submit asset declarations vary significantly, with some countries requiring periodic reporting and others requiring such reporting only when a substantial change in the assets occurs. The issue of verification has generally been identified as an implementation gap. While some countries may use electronic tools to conduct periodic verification, many others reported that verification was performed only when there was a complaint or investigation. Of the countries that have financial disclosure systems in place, more than half impose sanctions for non-compliance. More details regarding financial disclosure are provided in the thematic report on the implementation of chapter V ([CAC/COSP/2021/6](#)).

33. As regards regional differences, only one State in the African Group and two States in the Group of Western European and other States have not received recommendations.

34. With regard to article 11 of the Convention, the independence of the judiciary is enshrined in the constitution or relevant laws in most countries. In addition, most countries have referred to their legislation regulating court systems and judges. The selection of judges is usually conducted by dedicated bodies, which, to a large extent, also serve as disciplinary bodies for appointed judges. In addition, States have reported on measures to address conflicts of interest and ensure transparency in the judiciary, including the recusal of judges, the prohibition of acceptance of gifts, restrictions on outside activities, and asset and interest disclosure requirements. Other measures to enhance judicial integrity range from developing specific codes of conduct and judicial ethics training for judges to publishing judgments and further reforming court systems. The violation of codes of conduct in several countries constitute grounds for dismissal of judges.

35. With regard to prosecution services, States have adopted various laws, regulations and policies that set out the rights and duties of prosecutors. Some States also consider prosecutors part of the general judicial service and, in this regard, relevant rules governing judges are directly applicable to prosecutors. Many States have adopted specific codes of conduct for prosecutors. In addition, several countries have reported on measures to enhance integrity among prosecutors, including case-management procedures or systems, integrity training and manuals, disclosure of assets or conflicts of interest, and restrictions on outside activities. Furthermore, some States have adopted guidelines or policies to control the exercise of prosecutorial discretion.

36. In terms of regional differences in the implementation of article 11 of the Convention, about half of the States in the regional groups, except the Group of Eastern European States, have received recommendations. It is noteworthy that good practices in that regard have been identified in only five States, most in the Asia-Pacific Group, and mainly relate to the establishment of case-management systems.

C. Public procurement and management of public finances (art. 9)

37. All States have adopted measures to regulate public procurement; most of them have done so by adopting national legislation. Several States govern public procurement through regulations and ordinances or by delegating the issuance of rules to government ministers.

38. Most States have implemented decentralized procurement systems, whereby government bodies are responsible for their own procurement processes. Exceptions to that model are States that have established a central procurement body for all, or only high-value, public contracts.

39. Integrity in public procurement requires that all participants in the procurement process have, inter alia, the same information on invitations to tender, participation, selection and award criteria, and have sufficient time to prepare and submit their tenders. All States have adopted measures and procedures to ensure the transparency of the procurement process, with reviewers issuing recommendations where such measures and procedures were found to be limited. In almost all States, legislation on public procurement requires that invitations to tender and relevant information be published sufficiently early for tenderers to have adequate time to prepare and submit tenders. Online announcements are increasingly used to publish invitations to tender.

40. Open competition in the award of public contracts reduces risks of corruption and ensures that goods or services are procured at a fair market price. Recommendations were made where legal frameworks did not establish open competition as the general procurement method, did not adequately prevent price-fixing or did not regulate sole-source procurements.

41. Most States have established systems under which procurement decisions are reviewed upon receiving complaints from participants. States rely on systems of administrative review or judicial review, or a combination thereof, depending on the specificities of their legal systems. Recommendations have been made in instances where no system exists for the review and appeal of procurement decisions or for audits of procurement processes, where time frames for filing complaints or appeals are limited or where information about the possibility to appeal is not provided to unsuccessful bidders. Further recommendations have been issued where filing an appeal is subject to certain preconditions, such as having to pay a percentage of the contract price to lodge an administrative appeal, or where the entity overseeing the appeal is not independent. In addition, most States provide for suspension of the award decision pending the conclusion of the review procedure.

42. States are required to implement special measures to promote ethical conduct of the personnel responsible for procurement and prevent and manage conflicts of

interest. Only 26 per cent of the States have adopted screening procedures for the recruitment of personnel responsible for procurement or legislation or rules on accountability, codes of conduct, conflicts of interest, declaration systems and periodic training policies. Recommendations have been issued where States had no specific requirements for personnel to declare their interests or assets, or had no measures in place to strengthen the integrity of procurement personnel beyond general codes of ethics.

43. Gaps in the implementation of article 9, paragraph 1, of the Convention have been identified in 38 of the 57 States that have completed their second-cycle reviews. Effective systems of review and appeal in public procurement matters were the main challenge for States in the Asia-Pacific Group. States in the African Group and the Asia-Pacific Group faced challenges in the adoption of measures on the selection, screening and training of procurement officials. Recommendations to reduce exceptions to the principle of open competition and to collect, analyse and publish data on public procurement awards and reviews have also been made. Thirty per cent of States in the Group of Western European and other States received recommendations regarding article 9, paragraph 1.

44. Good practices regarding article 9, paragraph 1, have only been identified in 10 States; those good practices relate primarily to the development and use of e-procurement portals.

45. States are required, under article 9, paragraph 2, of the Convention to promote transparency and accountability in the management of public finances. All States have enacted laws, regulations and procedures concerning the adoption of their national budgets.

46. Frequent and timely reporting on public revenues and expenditure is required in most States. Several States use their supreme audit institutions for oversight purposes and, in particular, to assess the effectiveness and efficiency of their systems of internal control and risk management. In some States, audit institutions or internal audit departments are afforded the power to prescribe measures to address deficiencies found during the audit in accordance with article 9, paragraph 2, of the Convention. In other States, government agencies have established internal audit units or departments. Several States reported having committees designed to advise accounting officials of national institutions on risks in the management of public finances.

47. In one State, there is no effective mechanism of audit and oversight for certain categories of expenditure. Accordingly, a recommendation was issued. Several States have received recommendations on the establishment of effective systems of risk management and on the adoption of measures providing for corrective action in case of failure to comply with the requirements of transparency and accountability in the management of public finances.

48. A higher percentage of countries from the Group of African States and the Group of Asia-Pacific States than countries from other regional groups have received recommendations on the implementation of article 9, paragraph 2, of the Convention.

Box 2

Good practices identified in the implementation of article 9, paragraph 2, of the Convention

Facilitating access to information on the national budget has been identified as a good practice. Australia and Mexico have created dedicated websites and budget portals to enhance transparency and clearly present and explain budgetary information. Fiji and Nigeria have consulted civil society, including through social media, on the adoption of the national budget.

49. Almost all States have taken measures to preserve the integrity of their accounting books, records, financial statements and other documents, as required pursuant to article 9, paragraph 3, of the Convention.

D. Public reporting (art. 10) and participation of society (art. 13)

50. All States have taken some measures to facilitate public access to information, with approximately 61 per cent having relevant legislation in place. In approximately 33 per cent of the States, the right to access information is enshrined in the constitution.

51. Legislation on access to information either has not yet been adopted or is under development in approximately 28 per cent of the States reviewed. Recommendations have been issued accordingly.

52. Most States have designated or established dedicated agencies and offices (and, in two instances, transparency or communication units) to manage requests for access to information or to monitor relevant practices. Electronic services and one-stop information centres are widely used to handle information requests, with a view to simplifying administrative procedures. These have been identified as good practices.

53. Almost all States provide multiple channels to access information on public administration. Internet portals, such as e-government, e-citizen, e-procurement, e-invoice, e-tax and open data portals, are frequently used. Other channels include official gazettes, national television, radio, press releases, publications, newsletters and mobile telephone applications. In most States, government authorities post the majority of their reports online, while in some States, all data are open and publicly accessible unless explicitly classified. Recommendations have been issued where only some government divisions publish information online and where the public does not have access to information on decisions and acts that concern the general public and decision-making processes of public administration.

54. Most States have mechanisms for recourse to administrative or judicial remedies in cases where access to information is not granted. In Armenia, authorities may be sanctioned if they fail to comply with the laws on freedom of information. Most States allow authorities to deny access to information if their decisions have a legitimate basis and are well explained. In such instances, States referred to the need to balance the protection of privacy and personal data, national security and the right to information. Other States have reported that the application of national secrecy laws has limited access to government information, and recommendations have been issued in that regard.

55. With respect to differences between regional groups in implementing article 10, States in the African Group and the Asia-Pacific Group received the highest number of recommendations. Such recommendations concerned article 10, paragraphs (a) and (c), regarding the need to simplify administrative procedures and strengthen access to information, including by regulating the publication of information.

56. While not explicitly required by the Convention, most States protect and promote freedom of association and freedom of expression, which are enshrined in their legislation or, as is the case in approximately 37 per cent of States, their constitutions.

57. Almost all States recognize the role played by society in preventing and combating corruption in accordance with article 13 of the Convention. Several States have included civil society representatives in national anti-corruption councils or as part of their national anti-corruption architecture. Most States invite non-governmental organizations to provide comments on draft laws and participate in the review of policies and measures to prevent corruption. Approximately 32 per cent of the States have reported that civil society organizations had been invited to participate in the drafting and implementation of national anti-corruption strategies or policies. Recommendations have been issued to encourage States to consider

consulting civil society organizations on the development of laws or the national budget.

Box 3

Good practices identified in the implementation of articles 10 and 13 of the Convention

States have increasingly used e-platforms to enhance civil society engagement in anti-corruption efforts and participation in decision-making processes. A growing practice is the use of websites or e-platforms to make draft legislation publicly available. In Armenia and Greece, legislative drafts are published on e-platforms to facilitate comments and proposals by civil society and members of the public. In Greece, a report consolidating such comments and proposals is generated and attached to the legislation upon its submission to Parliament.

58. States regularly engage in numerous anti-corruption awareness-raising activities. Those activities include special curricula and events in schools, frequent training and information campaigns, anti-corruption television programmes and periodic reports. Civil society organizations are heavily involved in the design and implementation of awareness-raising activities. However, statistics on the impact of those measures are not available.

59. Regarding the freedom to publish and disseminate information concerning corruption, most States provide for the freedom of the press in their legislation, albeit with legal restrictions to protect legitimate interests, such as public order and national security. No data on the application of those restrictions are available. In some States, the freedom of the press appears to be curtailed in practice, despite relevant provisions in national legislation.

60. Most States afford a number of mechanisms to facilitate the reporting of complaints to anti-corruption authorities, as required under article 13 of the Convention. Such mechanisms include the use of websites, mail or email, toll-free numbers or hotlines and mobile telephone applications. In almost all States, anonymous reporting is allowed and protected. This has been identified as a good practice. Recommendations have been issued where relevant anti-corruption bodies are not known to the public and where reporting mechanisms are not established or easily accessible.

61. In terms of regional differences in the implementation of article 13 of the Convention, a higher percentage of countries from the Group of African States and the Group of Asia-Pacific States than countries from other regional groups have received recommendations, including with respect to ensuring that mechanisms exist for reporting corruption.

E. Private sector (art. 12)

62. All reviewed States have adopted certain measures to prevent corruption in the private sector, including the adoption of national legislation regulating companies. South Africa has also extended anti-corruption measures to State-owned enterprises. Almost all States have established accounting and auditing standards for the private sector in various forms. Most rely on their national laws and regulations, while the rest can apply relevant international or regional standards.

63. Most States promote cooperation between law enforcement agencies and private entities through legislation, special initiatives or institutional arrangement. For example, the law enforcement authorities and private sector in Germany have established joint initiatives to develop common anti-corruption strategies, while the anti-corruption agency in North Macedonia has signed memorandums of understanding with nine associations from the private sector for the prevention of corruption. Moreover, Bahrain and Ghana provide financial rewards to anyone who

reports on illegal and corrupt practices to the extent that they are proved. However, the lack of resources for developing a means of systematic collaboration with the private sector has been identified as a challenge in a number of States.

64. In order to safeguard the integrity of private entities, most States have adopted a variety of standards and procedures, such as codes of conduct or ethics, compliance requirements, and business judgment rules and mechanisms. In addition, a number of States have specific laws, codes or guidelines on corporate governance in place. In almost half of the countries, special agencies or authorities have been designated to supervise corporate governance.

65. Many States have adopted business registration requirements and maintain publicly accessible registers for companies. A number of countries, in particular European Union member States, have also established special registers for beneficial owners or made information about beneficial owners available, which has generally been identified as a good practice. Non-compliance with the registration obligation of the entity may lead to administrative or even criminal sanctions. Nevertheless, some legal arrangements, such as trusts, are not fully covered by the registration provisions in some countries.

66. Limited information has been provided regarding the public oversight of the use of subsidies by private entities and licences granted by public authorities for commercial activities (relating to art. 12, para. 2 (d), of the Convention). It has been recommended to promote transparency in this area. Regulations on post-employment restrictions for public officials have been put into place in the majority of the States (relating to art. 12, para. 2 (e)), with restriction periods ranging from one to three years. However, the inadequacy of enforcement mechanisms to ensure compliance and the limited applicability of the post-employment restrictions on certain categories of officials were reported as practical challenges.

67. In implementing article 12, paragraph 3, of the Convention, many States apply legal sanctions for violations of the specific requirements on the maintenance of books and records based upon different laws, such as penal codes and laws regulating companies and accounting or auditing practices. Most States apply criminal punishment for certain offences, such as the forgery and falsification of documents, the use of false documents and the destruction of business documents. However, not all acts enumerated in article 12, paragraph 3, are criminalized, and those acts that are not criminalized are subject to fines instead and, in a few States, the relevant private entities may be held liable either individually or jointly with the perpetrators.

68. With regard to the implementation of article 12, paragraph 4, of the Convention, only just more than half of the States prohibit declaring bribes as tax-deductible expenses. Recommendations have been issued for the remaining States whose legislation is either silent or implicit on the matter, as article 12, paragraph 4, is a mandatory provision.

69. There are no specific regional nuances in the implementation of article 12, as gaps have been identified in almost all States across different regional groups.

F. Measures to prevent money-laundering (art. 14)

70. All States have reported on their domestic anti-money-laundering regulatory and supervisory regimes. With regard to the regulatory regimes, many States referred to their dedicated laws on countering money-laundering and the financing of terrorism, and supplementary sector-specific laws and regulations that generally contain provisions on customer due diligence, the identification of beneficial owners, record-keeping and the reporting of suspicious transactions. In many States, such legislation also provides for administrative or even criminal sanctions in cases of non-compliance with anti-money-laundering obligations.

71. Most countries apply a risk-based approach; however, some do not oblige all reporting entities to use such an approach. In addition, some States that do not

articulate this approach in their legislation may use it in practice. Approximately 70 per cent of countries have completed or are in the process of completing their national risk assessments on money-laundering, with many of them publishing the results. The findings of the assessments have led several States to develop national anti-money-laundering strategies or policies and implementing action plans.

72. There is some variance among the reviewed States in the designation of their anti-money-laundering supervisory authorities. Some States have designated separate authorities to supervise different sectors, while one State has established a financial market authority as the sole, integrated and independent supervisory authority. Entities that are subject to anti-money-laundering obligations generally include banks and non-bank financial institutions. In a significant number of countries, reporting entities also include designated non-financial businesses and professions, to varying degrees.

Box 4

Good practices identified in the implementation of article 14 of the Convention

To facilitate cooperation among supervisory authorities, several States have set up coordination committees, platforms or regular meetings. A number of States have taken measures to promote the development of regional and international cooperation in the fight against money-laundering, which has been identified as a good practice. In addition, the establishment and upkeep of beneficial ownership registers is widely commended.

73. Almost all States have established financial intelligence units, many of which are of the administrative type. Most are members of the Egmont Group of Financial Intelligence Units. Some are also members or observers of regional groups of financial intelligence units. In general, reporting entities are responsible for the filing of suspicious transaction reports to such units. Many States have reported that their anti-money-laundering supervisory and law enforcement authorities cooperate and exchange information actively at both the national and international levels.

74. All the countries have cited the adoption of rules or measures to monitor the cross-border movement of cash and appropriate bearer negotiable instruments. Some States also subject the movement of precious stones, minerals and other prescribed goods to the same requirements. Such monitoring, conducted mainly by customs authorities, is usually based on disclosures, with a typical reporting threshold equivalent to 10,000 United States dollars or 10,000 euros. A number of States have also developed slightly different thresholds for such monitoring on the basis of their own currencies. Sanctions such as fines, imprisonment, seizure and confiscation can be applied in many countries for failure to declare or making false declarations. However, the implementation of relevant rules was reported as a challenge in some countries. Almost all States have reported on their requirements for electronic fund transfers, including measures regarding money remitters. However, in some countries, financial institutions are not always required to maintain information throughout the payment chain or apply enhanced scrutiny to wire transfers containing incomplete information, and in a few other countries, money- or value-transfer services are not adequately regulated in this regard; recommendations have been issued accordingly.

75. Many countries have referred to their membership in the Financial Action Task Force or Financial Action Task Force-style regional bodies. A large number of recommendations issued on the implementation of article 14 are equally relevant with regard to follow-up measures to address gaps or challenges identified in the evaluations carried out by the Financial Action Task Force and the regional bodies.

76. With regard to global, regional, subregional and bilateral cooperation among different authorities for the purposes of combating money-laundering, many States have referred to the practice of their financial intelligence units of sharing information proactively or upon request with both national authorities and foreign counterparts,

pursuant to domestic law or memorandums of understanding. In addition, a number of States can provide assistance on the basis of bilateral agreements or through multilateral forums, such as the Egmont Group, the Financial Action Task Force and INTERPOL.

77. Overall, more than 80 per cent of the States of the African Group and the Asia-Pacific Group, as well as 70 per cent of the States of the Group of Western European and other States, have been issued recommendations regarding their implementation of article 14 of the Convention. Challenges have been identified in about half of the countries belonging to other regional groups.

IV. Outlook

78. The present report reflects the analysis of 57 completed executive summaries and the detailed information provided in the country review reports. As more data become available from completed country reviews, a more comprehensive analysis of trends and nuances in the implementation of chapter II of the Convention will be made. In addition, further regional reports on selected thematic issues will be developed with a view to keeping the Conference informed of regional trends and nuances, including successes and challenges, identified in the reviews.
