TRENDS CHALLENGES AND PRIORITIES IN STRENGTHENING BUSINESS INTEGRITY AND ANTI-CORRUPTION IN THE PRIVATE SECTOR IN CENTRAL ASIA

Seventh North and Central Asia Multistakeholder Forum on the Implementation of the Sustainable Development Goals

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Nations Convention against Corruption
Adopted by the General Assembly: Resolution 58/4, 31 October 2003
Entry into Force: 14 December 2005

UNCAC Signature and Ratification Status

Parties: 190
THE UNITED NATIONS CONVENTION AGAINST CORRUPTION

Preventive measures
Criminalization and law enforcement
Asset recovery
International cooperation
Particularly affected areas
Healthcare, Education, Infrastructure

Obstacles to resource allocation
Resources are lost to corruption instead of for achieving SDGs

National Compact
Combined efforts of the government, civil society and the private sector are necessary.

Specific dimensions
Gender dimension of corruption and its disproportional effects on vulnerable groups
Key Trends

- **Kazakhstan** continues to build up its capacities to fight corruption. The legislative base and anti-corruption practices contain a lot of good international practices, as well as the level of competence of the anti-corruption practitioners is constantly improving.

- **Uzbekistan** is focusing on the digitalization of services as a tool to prevent and minimize corruption risks. The legislative base is rapidly developing, but gaps in some areas. Further investments need to be made in capacity building of practitioners.

- Institutional reforms in **Kyrgyzstan** are strengthening the role of Prosecutor’s General Office. The government attempts to establish new modus operandi of cooperation with the civil society with the focus on the private sector.

- **Tajikistan** remains focused on reducing the losses due to corrupt practices through stronger penalties and improved investigation. The greater capacities of anti-corruption practitioners are seen as the key to success.

- **Turkmenistan** is also working on the remodeling of its anti-corruption policies and more actively looks to learn from advanced international practices.
**Institutional Setup:**

Anti-Corruption Agencies in Kazakhstan, Tajikistan and Uzbekistan, Anti-Corruption Coordination Committees with the major roles of General Prosecutor’s Offices in Kyrgyzstan and Turkmenistan – these agencies are also in charge of coordinating activities related to integrity and anti-corruption in the private sector.

**Digital Transformation:**

Different approaches to anti-corruption efforts, but digitalization of public services is recognized as a universal integrity tool.

**Compliance with UNCAC** is important. The Convention covers integrity in the private sector and serves as an entry point for countering corruption in this area.
ANTI-CORRUPTION POLICIES RELATED TO BUSINESS INTEGRITY AND THE PRIVATE SECTOR:

GENERAL ISSUES AND PRIORITIES TO BE ADDRESSED

Private Sector Compliance:
Limited development of prevention mechanisms in the private sector. Companies, especially small and medium enterprises, have minimal incentives to invest in internal compliance.

Normative Challenges: The absence of a comprehensive system of liability for corruption offences in the private sector, mechanisms for corporate liability, and whistleblower protection hampers the effectiveness of anti-corruption efforts in the private sector.

Beneficial Ownership Registries:
There is a need for setting up transparent registries of private companies ownership structures that would provide means for preventing conflict of interest and verification of assets of public officials.

Enforcement Challenges:
For example, sanctions, like blacklisting violators in public procurement, exist (in some countries) but are inconsistently enforced.

Corruption within state inspection systems undermines their effectiveness:
Lack of transparency and accountability in the state inspection systems. Corruption distorts incentives for businesses, leading to non-compliance with legal, technical, and safety norms.
BUSINESS INTEGRITY AND ANTI-CORRUPTION IN THE PRIVATE SECTOR: WAY FORWARD

- Strengthening anti-corruption analysis and corruption risks assessment & monitoring.
- Harmonization of legislation with the UNCAC and its systematic enforcement in relation to the private sector.
- Promoting incentives for strengthening internal compliance mechanisms in the private sector.
- Capacity building of the corporate and private sectors on the detection of fraud and corruption.
- Professional associations of accountants and auditors to uphold professional ethics standards and function as self-regulating sectoral bodies.
- Promoting meaningful public-private dialogue: engage in attentive listening, validate concerns, and be open to regulatory improvements.
ADVANCING REGIONAL COOPERATION AND COHERENCE
UNCAC FAST TRACK IMPLEMENTATION PLATFORM
IN CENTRAL ASIA

THEMATIC AREAS

Prevention of corruption
(identifying and managing of conflict of interest, asset declarations, detection of illicit enrichment, and beneficial ownership)

Corruption in private sector
(liability of legal entities, compensation to victims, fraud and corruption prevention and in the corporate and private sectors)

Asset recovery
(strategies, specialized legislation, domestic intergovernmental cooperation mechanisms and specialized units)

Regional best practices
Sharing success stories and best practices of regional countries

KEY OUTPUTS

CONSULTANCY, LEGISLATIVE DRAFTING, AND POLICY ANALYSIS DOCUMENTS

EASY-TO-ACQUIRE KNOWLEDGE PRODUCTS

COORDINATION OF DONORS’ ASSISTANCE

1: Peer learning & regional cooperation. 2. Anti-Corruption initiatives and donor coordination. 3. Civil society engagement. 4. Gender equality. 5. IT & data collection.