

## Corruption and the EU Accession Process

Index:

- I Introduction: Anti-Corruption policy in the EU Accession Process
- II Why anti-corruption policy should be an integral part of the Accession process
- III The EU's approach to corruption in Accession and in Member States
- IV In the news Bulgaria and Romania: Is corruption a reason to defer entry?
- V The broader picture: Western Balkans, Turkey and beyond
- VI Using the conditionality of the EU Accession Process
- VII Incorporating anti-corruption into the Accession process
- VII TI's work on corruption and the EU Accession process
- IX Links and further reading

TI's recommendations for mainstreaming anti-corruption in the EU accession process:

- Clear commitment to mainstreaming anti-corruption, i.e. incorporation of rigorous anti-corruption measures into all reform processes.
- Concrete anti-corruption standards, including indicators and benchmarks, for candidate countries.
- The EU to strive for equal and fair treatment of candidate countries, and seek to avoid generating competition between states.
- Greater emphasis on measurable implementation, not just adoption, of anti-corruption standards.
- Transparent and rigorous monitoring by independent bodies, including civil society, of progress towards accession AND of the accession process itself.
- Use of a broad definition of corruption, which encompasses notions of state capture, embedded networks of power, trading in influence, etc, thus going beyond a focus on bribery.
- Greater transparency in the management of EU funds to help prevent corruption.
- Avoidance of double standards: the EU's own new anti-corruption measures to be implemented in Member States.

### I Introduction: Anti-corruption within the EU Accession Process

On 16 May 2006 European Commission will release its latest report on the EU membership bids of Bulgaria and Romania. The report will include the Commission's verdict on the proposed accession date of 1 January 2007. Corruption has emerged as the primary obstacle to EU membership in both countries. This In Focus section provides an overview of anti-corruption policy within the EU Accession process and includes recommendations for strengthening the anti-corruption dimension in future Enlargement rounds. Above all, TI supports mainstreaming anti-corruption in EU Accession policy, that is, the comprehensive application of an anti-corruption approach. It is also essential that rigorous anti-corruption standards are upheld in the EU itself, if not, standards may fall when a country accedes.

The Enlargement of the European Union to include the former Communist countries to the East began in the early nineties with the negotiation of the European Partnerships between the EU and the prospective Member States. At the beginning of the process, corruption was largely overlooked for various reasons.

First, at that time, globally, the damage caused by corruption was underestimated; the detrimental effects that it has on democracy were only beginning to be acknowledged.

Second, the EU itself did not have a comprehensive anti-corruption policy. So therefore when the Heads of State met in Copenhagen in June 1993 and sought to encapsulate in the Copenhagen Criteria the "European standards" that applicant countries would have to meet, they referred to consolidation of democracy and rule of law but not explicitly to the fight against corruption.

Third, the extent to which corruption would emerge as a characteristic of post-communist transition was also treated too lightly. The influence of legacies of Communism and the effects of transitional policies, such as mass privatisation, were miscalculated.

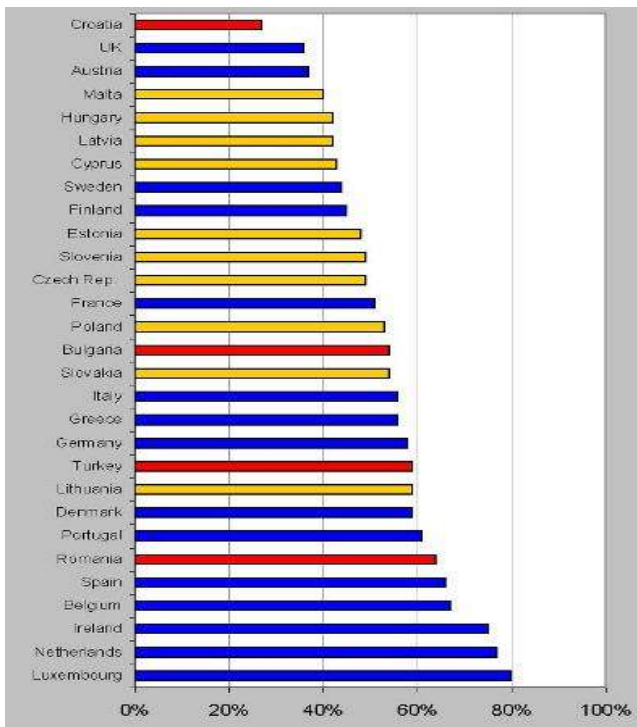
Corruption was first highlighted in Agenda 2000, the European Commission's assessment of the 10 applicant countries' development, published in 1997. Since then corruption has featured prominently in all the Commission's annual reports on progress towards meeting the Copenhagen Criteria for membership of the Union.

## II Why anti-corruption policy should be an integral part of the Accession process

Eastern Enlargement was conceived of as a project beneficial to both the EU and the Candidate countries alike. Critics have highlighted the benefits to the European Union of securing access to new markets in Eastern Europe (especially at a time when economic growth in many Member States has stalled) and of generating stability and growth (and thus stemming immigration into the EU) in the post-Communist countries.

However many individuals within the European institutions and the governments that framed the Accession process, as well as contemporary leaders, view Enlargement, at least in part, as a vehicle for the promotion of reform in post-Communist Europe, the ultimate beneficiaries of which should be the citizens of the Candidate countries. Corruption is a significant barrier to realisation of this vision of Enlargement.

If corruption continues to accompany the Accession process, only a minority of the population will benefit from reforms. Thus Enlargement will be viewed as an elite project which only benefits a few; this carries the risk of backlash against European integration – arguably one of the reasons for low support for EU membership in new Member States and Candidate Countries, and nationalist reactions among sections of the population.



Percentage of respondents agreeing to “EU membership – a good thing”. Standard Eurobarometer 63 (May-June 2005)

The European institutions should be alarmed about hostility towards European integration in new Member States and Candidate countries since this feeling could reinforce anti-European sentiment and contribute to the legitimacy crisis that the EU faces.

The rejections of the EU Constitution by voters in the Netherlands and France have been interpreted as opposition to Eastern Enlargement (it should be noted that there is no conclusive evidence that this is the case; domestic concerns were also prominent in both countries). If this interpretation is accepted, however, then effective anti-corruption reform could help allay EU voter fears and thus temper so-called “Enlargement fatigue”.

Simply put, continued prevalence of corruption undermines reform efforts in the Candidate countries, limiting democratic consolidation and economic development. This has a detrimental effect on conditions in the countries and poses risks for the EU.

The Copenhagen Criteria for membership of the EU encompass political, economic, and legal/technical areas as follows:

- Stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- The existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union;
- The ability to take on the obligations of membership including adherence to the aims of political, economic & monetary union.

These criteria were decided upon at the European Summit held in Copenhagen in June 1993.

Corruption is most commonly discussed in association with the political criteria which cover rule of law, including effective functioning of public administration, police, judiciary, and local government, democratic consolidation, and broader institutional reform. Widespread corruption prevents state institutions and agencies from acting in the public interest, a key aspect of democratic consolidation.

The argument for mainstreaming anti-corruption lies in the fact that corruption strongly relates to economic and legal criteria too.

Anti-corruption reforms are necessary to meet the economic criteria of a functioning market economy and the ability to cope with the competitive pressures of membership of the single market. High prevalence of corruption in the private sector hinders the functioning of the market economy through loss of resources and biased outcomes in favour of corrupt businesses. The phenomenon of state capture, the power of corrupt networks involving politicians, business people, and organised crime, has been identified frequently as a feature of political systems in post-Communist Europe.

Corruption also detracts from a country's ability to meet the third criterion, adoption of the body of EC law, the *Acquis Communautaire*, because it limits the competence of the government, and its capacity to enact, implement and enforce legislation. This relates back to the political criteria, since rule of law and establishing democratic institutions improves a country's capacity to implement legislative reforms.

For the EU, substantial risks are attached to granting membership to countries with perceived high levels of corruption, including:

- potential misuse of EU funds
- distortion of the internal market
- increased non-compliance with EC law
- policy-making beholden to vested interests.

In each case, a comprehensive approach is likely to be more effective than "adding on" corruption. This will also complement internal EU reform processes, such as the European Transparency Initiative.

### III The EU's approach to corruption

Despite the prominence of corruption in the European Commission's assessment of the Candidate countries from the late nineties onwards, concerns have been raised that the European Commission's approach was not systematic enough. In particular, there was a lack of objective anti-corruption conditions and a resulting perception that countries were not treated equally – with some obliged to meet tougher criteria than others. In its 2002 report, *Monitoring the Accession Process: Corruption and Anti-corruption Policy*, the OSI's project, EUMAP – Monitoring the Access Process - noted:

*"Despite the suggestive nature of the Copenhagen Criteria regarding corruption, neither the reasons for including corruption as an accession issue nor the exact criteria candidate States must fulfil in terms of anti-corruption policy or levels of corruption have been spelled out by the Commission in detail."*<sup>1</sup>

Since the adoption by the EU of the document "On a Comprehensive EU Policy against Corruption", which includes a stocktaking exercise of the Communities' fight against corruption and suggestions for the way forward, and European Commissioner for Administration, Audit and Anti-fraud, Siim Kallas's, European Transparency Initiative, the EU's own anti-corruption standards have substantially improved. However, the issues of implementation of new measures in Member States and disparity between standards in the EU and those imposed on Candidate countries remain.

When negotiations between the countries and the European Commission begin, specific steps to be taken in order to ensure compliance with Accession criteria are decided upon. It is here that specific anti-corruption measures should be outlined.

Critique of anti-corruption policy in the first round of Eastern Enlargement can be used to extrapolate lessons learned to be applied in future Enlargements. This is set out in section VII below. In addition, the EU Accession process can be viewed as a development assistance programme with a strong

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<sup>1</sup> Open Society Institute, 2002, *Monitoring the EU Accession Process: Corruption and Anti-Corruption Policy*.

element of conditionality, thus assessment of its strengths and weaknesses can also be instructive in the design of development policies more generally.

It is crucially important that the EU's own anti-corruption standards are high. First the EU may be accused of double standards, which undercuts its attempt to promote democratic values, including good governance, beyond its borders.

Second, and perhaps most importantly, if standards are lower in EU member states than those demanded of candidate countries, there is a real danger that standards will fall when a country becomes a member of the Union. Arguably this is already happening. Potentially this will undermine the credibility of the Accession process and its conditionality if it is known that once a country has acceded the need to conform to rigorous anti-corruption standards is removed. Accession countries will pay lip-service to anti-corruption standards with no intention of implementing them fully over the longer term. There are parallels with other areas covered by the Copenhagen Criteria where the EU's own standards are significantly lower than those applied in Accession, such as minority rights protection. It is particularly problematic in the case of anti-corruption because it can take many years of committed implementation and rigorous monitoring before reforms bear fruit. If anti-corruption policy is indispensable in a democracy, then logically EU countries should also incorporate it in their political systems.

Related issues include transparency in the use of EU funds, which the ETI examines. Currently the end beneficiaries of the €80 billion spent by the EU in shared management schemes (amounting to 76 per cent of its entire budget), including agricultural support and structural funds, remain largely obscured to the public. The right to disclose the identities of the beneficiary organisations lies in the hands of the EU's member states. Though member states manage the funds and their final distribution, ultimate budgetary responsibility remains with the Commission.

The report "On a Comprehensive EU Policy against Corruption" shows a European Commission increasingly concerned with corruption. This is positive however certain aspects may weaken the Union's capacity to put changes into effect:

First, the EU deliberately only works directly with the aspects of anti-corruption that are not covered by the other international institutions, notably the UN, Council of Europe and the OECD. This is a useful approach to avoid duplication of efforts, but limits the EU's room for independent manoeuvre.

Second, the Accession process is still mainly about implementing the *Acquis Communautaire* i.e. making all national legislation compatible with that of the EU. While anti-corruption legislation is part of the *Acquis* the EU's remit only covers areas where Member States have transferred sovereignty. These include many matters related to corruption, like criminal law, judicial cooperation, money laundering trade policy, procurement rules, accounting standards etc. However, other relevant areas remain within Member States' competence and hence cannot be included in the Accession process.

The European Commission, which is leading the negotiations on behalf of the EU, has interpreted this flexibly and has required tangible results that arguably breach its mandate, including the ratification of the relevant OECD and Council of Europe Conventions. However, as this is not a requirement for the old Member States, the Commission is in danger of being accused of applying different standards to the new and the old EU countries.

Third, the Commission lacks a monitoring system for member state compliance with anti-corruption legislation. The EU is lagging behind both the OECD and Council of Europe in this area, though the Commission is currently working to find a solution.

Finally, Accession itself can also generate new corruption risks in Candidate countries, for example in the distribution of the funds flowing in (the same applies in Member States). This in turn hinders economic development and contributes to public resentment and to underlying political and economic instability. Abuse in the disbursement of EU funds occurs for many reasons: weak control mechanisms in candidate countries; existing structures of corruption; limited capacity to absorb funds; inadequate financial oversight by EU bodies; and lack of civil society involvement in monitoring

the use of funds.

#### IV In the news Bulgaria and Romania: Is corruption a reason to defer entry?

On 16 May 2006, the Commission will make its suggestion to the European Council on the date of entry to the EU of the two acceding countries, Romania and Bulgaria. Analysis of the European Commission's recent reports on the two countries shows that corruption has emerged as the primary cause for concern about their readiness to join. Typical of this is the Commission's Comprehensive Monitoring Report of October 2005, which stated that:

*"Corruption remains a serious problem in Romania and Bulgaria. If it remains at current levels, corruption threatens the internal market, the proper functioning of EU policies and EU-funded programmes. Urgent and forceful action is needed to demonstrate the ability of Romania and Bulgaria to combat corruption effectively..."*

Is the problem of corruption as bad as the Commission states? According to TI's Corruption Perceptions Index, corruption is perceived to be worse in Romania and Bulgaria than in the Central and Eastern European countries which have acceded to the EU. Figures show that the situation is perceived as better in Bulgaria than in Romania, where it is perceived as similar to or worse than in the newer candidate countries, Turkey, Croatia, and Macedonia, and the Stability and Association countries of the Western Balkans. These findings are supported by other research, such as Freedom House's Nations in Transit, the World Bank Business Environment and Enterprise Performance Survey, and so on.

Country	CPI 2005 score	CPI 2004 score	CPI 2003 score	CPI 2002 score	CPI 2001 score
Hungary	5.0	4.8	4.8	4.9	5.3
Ukraine	2.6	2.2	2.3	2.4	2.1
<b>Romania</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>	<b>2.6</b>	<b>2.8</b>
Moldova	2.9	2.3	2.4	2.1	3.1
<b>Bulgaria</b>	<b>4.0</b>	<b>4.1</b>	<b>3.9</b>	<b>4.0</b>	<b>3.9</b>
Serbia/ Montenegro	2.8	2.7	2.3	Not included	Not included

\*Score ranges between 10 (highly clean) and 0 (highly corrupt). At least 3 but at the most 16 surveys were included in this index.

Analysis of patterns of corruption in Romania and Bulgaria shows a similar situation to the rest of the region. TI's Global Corruption Barometer shows that the public in Romania considers the most corrupt institutions to be political parties, customs, judiciary, and that the cleanest institutions are religious bodies, the military, and the tax revenue service. In Bulgaria, the public again identifies customs, political parties, and judiciary as most corrupt, and religious bodies, the military, public utilities as least corrupt.

When asked if they or a family member paid a bribe in the last year, in Romania 22% said yes, whereas in Bulgaria the figure is just 7% - less than the global average of 9%. In Bulgaria, the public feels more optimistic, with 50% saying that they believe that in the future the situation regarding

corruption will get better or remain the same and only 15% feeling that it will worsen. In Romania, in contrast, 36% say that they expect the situation to remain the same or improve, and 31% feel that it will get worse.

These figures tally with research carried out by TI Romania while preparing an analysis of the National Integrity System of Romania in 2005 (the National Integrity System approach is a TI method of assessing structures for ensuring public integrity in a country). The situation has improved compared to the period before 1999 when it was found that the parliament and the executive did not produce public integrity policies, that the judiciary lacked independence and capacity, and that the integrity mechanisms in the Court of Accounts, police, and public administration were weak. At that point, essentially, the only functioning pillar of the National Integrity System was the private media. Despite reforms since 1999, problems remain to be resolved and TI-Romania believes that the Romanian Integrity System is still only partially enforced, with a very negative situation in health and education systems, local government, and licensees procedures.

### **Romania: Progress in the past six months in the fight against corruption?**

In the past six months, under pressure from the EU, the Government of Romania and President Traian Basescu have put great pressure on the Romanian anticorruption bodies. At the same time, there has been a visible decrease in the political parties' commitment to supporting anticorruption policies and legal initiatives. For instance, parties blocked several important initiatives, including specific anti-corruption reforms.

TI-Romania believes that real progress would be demonstrated by improvements in political standards across the board and not just the credibility of Minister of Justice, Monica Macovei, who has a very good public image because of her honesty. Romanian citizens have seen few concrete changes in their relations with public sector and public services.

### **The National Anti-Corruption Prosecution Office (DNA)**

TI Romania welcomes the work of the National Anti-Corruption Prosecution Office (DNA) and recent successes including its initiation of the fight against grand corruption (however this is a very recent move, so concrete results have yet to be achieved).

The chapter remains concerned about the capacity of the DNA, in particular in terms of human resources. It identifies three weak points:

- The DNA office does not use qualitative research as a base for personnel training, such as logical criminal profile of corruption, trial analyses or dealing with the most important issues in prosecuting corrupt persons;
- Professional assets have been built only through sharing experiences with similar EU member states' institutions and through empirically based research;
- 70% of the personnel are staff members who have been employed for many years, some of whom are held responsible for limited results.

### **Enforcement of anti-corruption legislation and preventive measures**

TI Romania feels that there have been limited results in terms of legislation necessary to enforce anti-corruption policy, where Romania has a very low level of enforcement. Romania does not yet have specialized bodies for monitoring and punishing conflicts of interest or incompetence. An adequate legal framework in this field does not yet exist.

The Romanian government declared that a special law on conflict of interest would be drafted and that an independent body would be set up February 2005, later revised to July 2005. Recently, the Minister of Justice presented a draft law which was criticized by civil society representatives and

experts because it is full of factual mistakes. The draft law provides a fiscal public policy in terms of asset control but does not include provisions for anticorruption measures in public decision-making. The anti-corruption institution that the draft law envisages is not independent in the spirit of the commitments made in 2004 and 2005.

Regarding the protection of whistleblowers, the deadline for establishment of the framework was January 2005, but it was only implemented in August 2005 following a high profile TI-Romania advocacy campaign. A major problem with the framework is that it is only enforced at the level of the central administration.

### **Progress in fighting grand corruption and corruption within law enforcement bodies**

High-level official investigations have begun but it is too early to assess the results and the quality of the investigations. The real test will be to take the investigations to independent courts for trial. The General Anti-Corruption Directorate in the Ministry of the Interior was launched, but still faces resistance from established structures within the Ministry, in particular from the intelligence unit. The Anti-Money Laundering Office has improved its institutional capacity but it is still too early to judge the results of these changes.

The customs system remains affected by corruption; this has even been noted by President Basescu himself. Opinion polls show that the customs system is considered one of the four most corrupt institutions in Romania, even if it has come down one step in the rank. Business people's perception of customs has improved, but this does not correspond to the general perception of the public.

TI-Romania is very concerned about the future of anticorruption reforms and the sustainability of political commitment after EU accession. Since 2004, when Romania finished accession negotiations, the tracking of institutional reforms decreased and efforts were focused on the EU safeguard clause.

TI-Romania considers that the accession date of 1 January 2007 is appropriate, but it is necessary to maintain the pressure on the Romanian government to continue efforts to fight corruption and increase the level of public integrity. It is very important to solve the big issues related to preventing corruption, especially related to controlling conflicts of interest, incompatibilities, and asset control. TI Romania recommends creation of an independent body in charge of those competences as set out in previous proposals.

### **The situation in Bulgaria**

In the case of Bulgaria, TI's national chapter welcomes the Bulgarian government's reforms, in particular the new National Strategies on Transparent Governance and on Preventing and Combating Corruption. It emphasises however that the adoption of these new anti-corruption strategies must be followed by rigorous implementation and there is a clear need for institutions to cooperate among themselves in order to effectively fight corruption.

It is noteworthy that, unlike the previous Bulgarian anti-corruption strategy, both of these new strategies contain monitoring mechanisms and measures for assessing implementation. The inclusion of civil society in monitoring implementation of the strategies and other anti-corruption measures is a positive development – so long as it is realised in practice.

Comprehensive anti-corruption efforts still need to be applied in the public administration, political parties, healthcare sector, and the judiciary. Adoption of new anti-corruption standards must be followed by rigorous implementation; all institutions must demonstrate the will to cooperate and to put into practice anti-corruption measures.

If implementation takes place as planned, reforms should bring about reductions in corruption levels, improvements in the quality of life, and promised economic benefits. After all, ultimately the reforms are not for the EU but for the citizens of Bulgaria and Romania.

## V The broader picture: Western Balkans, Turkey and beyond

The management of anti-corruption policy within the Accession process in the cases of Romania and Bulgaria and rigorous evaluation of its successes and failures should inform the EU's future enlargements and its broader development policy - even where the membership perspective is absent.

Corruption is prevalent in the Western Balkans and is recognized by the Commission as one of the major obstacles to EU integration for the aspiring members of the region: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia and Montenegro.

Since the Thessaloniki Summit of 2003, Accession has been the framework for international involvement in the region. Croatia an official candidate country since 2004 is the farthest down the road to membership. Macedonia follows, having submitted its application for membership in 2004 and being granted candidate status late in 2005. The European Commission began talks with Serbia and Montenegro and Bosnia and Herzegovina on Stabilization and Association Agreements – the first step in the Accession process - in 2005. Albania began negotiations on a Stabilization and Association Agreement in 2004 and concluded them early in 2006.

Somewhat different is the case of Turkey, which has been an Associate Member of the EU and previously the European Communities since 1963. Turkey applied to join the EEC in 1987, and was recognized as a candidate country in 1999; membership negotiations finally began in 2005.

Turkey's membership is a divisive issue in the current EU with objections to its membership ranging from the economic to the cultural and the technical. Corruption is a serious problem in the country, but it is also possible that the problem of corruption will be exaggerated in order to mask some of the less savoury objections to Turkey's membership.

Figures show that in South East Europe and Turkey corruption is a major problem and hampers economic and political development in the region.

The Corruption Perceptions Index figures for South East Europe and Turkey are as follows:

Country	Position*	Score**
Croatia	67	3,5
Bosnia and Herzegovina	82	3,1
Macedonia	97	2,7
Serbia and Montenegro	97	2,7
Albania	102	2,5

\*Position 1 is perceived as LEAST corrupt

145 countries were surveyed

\*\* 10 denotes a clean, corruption-free score.

If the importance of anti-corruption policy is not recognised then compliance with the three Copenhagen Criteria becomes more difficult or impossible for the applicant countries because:

- Political-institutional reforms in all areas depend on strong anti-corruption measures.
- Economic development necessary to establish a functioning market economy will not take place if widespread corruption remains a problem.

- A key lesson from the first wave of Accession is that, while enactment of anti-corruption legislation is relatively straightforward, implementation is extremely problematic, particularly when political will is limited.
- Enforcement of laws and compliance with EC law in the long-term (i.e. should Enlargement go ahead) will be difficult if governance standards are not improved.

According to the European Commission's own "Annual Report on the Stabilisation and Association Process for South East Europe 2004"

*"The continuing prevalence of organised crime and corruption in the region delays political reform, holds back economic development and puts into question the rule of law."*<sup>2</sup>

Similar results are found in other major surveys which measure corruption-related phenomena, such as the Freedom House survey "Nations in Transit".<sup>3</sup>

Relating back to the economic criteria for membership, foreign investment is currently very low in South East Europe, limiting economic growth. One of the reasons for this is corruption.<sup>4</sup> In addition, the indigenous private sector is developing quickly but with limited anti-corruption regulations, thus economic benefits will continue to be concentrated in small sections of society and the business approach will be short-termist, unsustainable, and continue to involve corrupt politicians and organized crime.

## VI Using the conditionality of the EU Accession Process

There is an ongoing debate in the international development sector about the efficacy of conditionality. The EU Accession process is an example of a conditional process, sometimes termed a "carrot and stick approach" whereby substantial funds and support are provided along with the ultimate prize of EU membership BUT, simultaneously, strict conditions are set and progress towards meeting them are critically evaluated on a regular basis. No comprehensive research has been carried out on anti-corruption outcomes and the conditionality of the Accession process, but clearly NGOs campaigning for reform have used the conditions in their own advocacy work. As well as monitoring governments' progress towards meeting conditions, civil society organisations also

<sup>2</sup> Page 6 European Commission, *Annual Report on the Stabilisation and Association process for South East Europe 2004*

<sup>3</sup> The survey classifies nations as the following types:

DEMOCRACY SCORE	REGIME TYPE
1-2	Consolidated Democracy
3	Semi-Consolidated Democracy
4	Transitional Government or Hybrid Regime
5	Semi-Consolidated Authoritarian Regime
6-7	Consolidated Authoritarian

The programme countries fare as follows:

Country	Classification
Croatia	3,83 Semi-consolidated Democracy
Serbia	3,83 Semi-consolidated Democracy
Macedonia	4 Transitional Government or Hybrid Regime
Albania	4,13 Transitional Government or Hybrid Regime
Bosnia	4,29 Transitional Government or Hybrid Regime

<sup>4</sup> According to the World Bank, numerous studies have shown "how corruption hinders investment (both domestic and foreign), reduces growth, restricts trade, distorts the size and composition of government expenditure, weakens the financial system, and strengthens the underground economy". "Anticorruption in Transition: A Contribution to the Policy debates". World Bank. November 2000.

monitor the Accession process itself and provide critiques and recommendations for improvement where appropriate.

The EU's Neighbourhood Policy has been expanded to subsume the Euro-Mediterranean area of North Africa as well as border and future border nations in Eastern Europe and the Caucasus. There are concerns that without the "carrot" of EU membership, the Neighbourhood Policy as a form of engagement with third countries will not be effective at generating reform. The action plans for the EU Neighbourhood countries refer to corruption, but few contain sufficient detail. Here there is also scope for NGO advocacy to ensure that the inclusion of anti-corruption goes beyond mere window-dressing.

## VII Mainstreaming anti-corruption policy in the Accession process

Essentially, much of the responsibility for anti-corruption work and monitoring lies with national actors, including civil society. It is hence essential to help civil society understand that anti-corruption work is not simply an exercise to gain EU membership, but a key to economic, social and political stability.

### **TI recommends that:**

- Clear commitment to mainstreaming anti-corruption, i.e. incorporation of rigorous anti-corruption measures into all reform processes.
- Concrete anti-corruption standards, including indicators and benchmarks, for candidate countries.
- The EU to strive for equal and fair treatment of candidate countries, and seeks to avoid generating competition between states.
- Greater emphasis on measurable implementation, not just adoption, of anti-corruption standards.
- Transparent and rigorous monitoring by independent bodies, including civil society, of progress towards accession AND of the Accession process itself.
- Use of a broad definition of corruption, which encompasses notions of state capture, embedded networks of power, trading in influence, etc, thus going beyond a focus on bribery.
- Greater transparency in the management of EU funds to help prevent corruption.
- Avoidance of double standards: the EU's own new anti-corruption measures to be implemented in Member States.

## VIII TI's anti-corruption work and the EU Accession process

### *Monitoring the Accession process – Cooperating with the EU*

EU Accession, as a conditional process, enables TI to advocate for and work with governments on adoption and implementation of anti-corruption legislation necessary to qualify for membership. In EU candidate countries, TI National Chapters play an active role in monitoring progress towards membership in the anti-corruption sector, through contributing to the EU's annual reports on progress towards membership and drafting and campaigning for anti-corruption laws.

TI National Chapters have contributed to monitoring governments' anti-corruption policies at the request of the Open Society Institute (OSI) and European Commission. The results were published in the OSI's widely distributed report, *Monitoring the EU Accession Process: Corruption and Anti-Corruption Policy*. This programme also attempts to respond to the key lessons learned about the anti-corruption sector during the first Eastern Enlargement.

## *Programmes*

Transparency International has worked to combat corruption in the Balkans since the late nineties, including implementing three large programmes in the region,

- Strengthening Civil Society's Capacity to Combat Corruption in South Eastern Europe funded by the German Development Ministry,
- Western Balkan Accountability Programme, funded by Finnish Ministry of Foreign Affairs
- Advocacy and Legal Advice Centres Programme, funded by the German Foreign Ministry and the European Commission.

Results of these programmes include: foundation and strengthening of anti-corruption NGOs, advocating for and drafting anti-corruption reforms, raising public and media awareness of corruption issues, establishment of Advocacy and Legal Advice Centres where citizens can receive legal advice on corruption-related problems.

Transparency Through Awareness (TTA) project, May 2005-2006

The Transparency Through Awareness (TTA) project is designed to support TI's Priority focus on Transparency in EU accession and advocacy. The TI-Secretariat is coordinating the implementation of the TTA project with National Chapters and contact groups in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia. The TTA project was funded in part by the European Commission (DG Enlargement) and ran for a period of 12 months, beginning in May 2005.

The project aims to increase understanding of the purpose, distribution, and use of EU structural funds in two main ways. First, it creates an enabling environment for those who wish to and/or are able to influence the transparency of the use of EU structural funds. This will involve general awareness raising within the population. Second, the project will work to provide more targeted and specific information and skills to those groups most able to affect positive change. Specifically, the TTA project will generate research which could be easily transferred for use in a workshop on the transparency of EU funds.

### *EU-level advocacy work*

The Commission has just released a Green Paper proposing greater transparency in the use of EU funds. The focus is on the 80% of the community budget which is managed by the Member States and currently not at all transparent. While the names of recipients of the 20% of funds managed by the Commission are subject to public scrutiny, it is not compulsory for member states to make public the recipients of nationally managed funds. TI strongly supports disclosure of these data, but sees it as a first step to a wider reform of the management