

ANTI-CORRUPTION NETWORK
FOR EASTERN EUROPE AND CENTRAL ASIA

REGIONAL
BUSINESS INTEGRITY
SURVEY 2024

Key findings





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ABOUT ACN

The OECD Anti-Corruption Network for Eastern Europe and Central Asia ([ACN](#)) is a regional outreach programme of the OECD Working Group on Bribery in International Business Transactions. It was established in 1998 to promote anti-corruption reforms in Eastern Europe and Central Asia, to bring non-OECD Member countries from the region closer to international anti-corruption standards and to strengthen their implementation and contribute to the overall implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. It supports member countries in their efforts to prevent and combat corruption, through country reviews, practitioners' networks and country-specific technical assistance.

Since 2016, ACN has played an active role in promoting business integrity and seeking ways to exchange experiences and boost the integrity of business operations in the region. In 2021, this work was institutionalised into the Business Integrity Group, made up of representatives from companies, business associations, collective actions and ACN public institutions. The group gathers annually to help promote ethical business conduct in the region by sharing experiences and learning from peers and members of the OECD, the EU and other regions. ACN also conducts surveys of businesses and consultations with various stakeholders involved in promoting business integrity in selected ACN countries. Information gathered through these surveys and consultations feeds into a periodic regional analysis of trends and challenges, with the [latest edition](#) released in 2022. These studies help identify emerging business integrity solutions in the region, such as the business ombudsman institutions, which ACN analyses in-depth to help its members make policy decisions on the applicability of such solutions for their countries. Business integrity studies also help shape future work programmes in this direction and provide policy and practical recommendations for the region, expanding ACN's body of soft law standards on this subject.



Business integrity

*is one of the main
areas of focus of
the OECD's*

Anti-Corruption

Network for

Eastern Europe

and Central Asia

INTRODUCTION

In [2016](#) and [2022](#), ACN published studies on business integrity that were based mainly on information collected through online questionnaires from governments, business associations and companies. They aimed to identify key regional trends in this field, including the most significant challenges to integrity in the private sector and the actions that various stakeholders had implemented to address them.

While the 2016 and 2022 studies (and the surveys they were based on) provided useful insights into the state of affairs across the region, their broad geographic and institutional scope inevitably meant that only a relatively small number of companies were surveyed in each of the countries. This, in turn, made it difficult, if not impossible, to extrapolate the results to entire business sectors of the respective countries.

With this limitation in mind, the ACN team decided to conduct a more focused survey targeting a smaller group of countries, with the ultimate goal of

covering a sufficiently large sample of companies in each of them. Therefore, unlike the previous studies that covered the entire ACN region, this latest survey was piloted in Armenia, Azerbaijan, Georgia, Moldova and Ukraine. All five countries are part of the EU Eastern Partnership initiative, while Ukraine, Moldova and Georgia have also been granted the status of candidates for EU membership, adding a further dimension to the importance of anti-corruption efforts in these countries.

The 2024 survey's primary objective was to explore the practice of adopting internal anti-corruption mechanisms by companies, in line with the relevant international standards and best practices, including the [2021 OECD Anti-Bribery Recommendation](#) and the Good Practice Guidance on Internal Controls, Ethics and Compliance in Annex II. The survey also included questions concerning the availability of external assistance for companies (whether from governments or business associations) in developing such mechanisms.

METHODOLOGY

The survey was conducted in five ACN countries (Armenia, Azerbaijan, Georgia, Moldova and Ukraine) in February and March 2024. A total of 449 companies took part in the survey across the five countries. The survey was carried out through computer-assisted telephone interviews in all countries except for Ukraine, where the questionnaire was distributed among companies by ACN's local partner and follow-up telephone interviews were conducted in some cases.

A magnifying glass is positioned over a laptop keyboard. The background is a blurred image of a laptop screen displaying various data visualizations, including bar charts, line graphs, and pie charts. The overall color scheme is a cool blue. The text 'OVERVIEW OF KEY FINDINGS' is overlaid on the image in a bold, dark blue font.

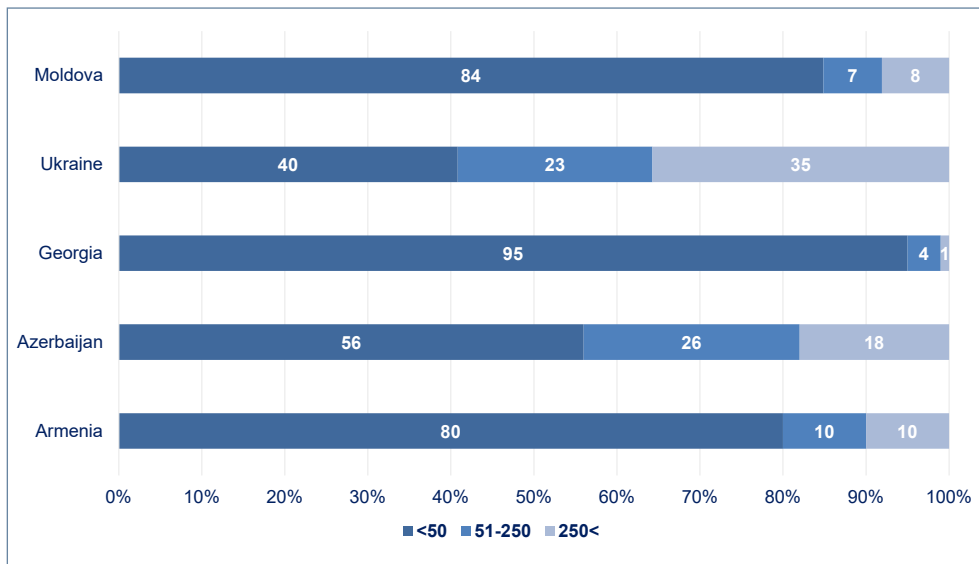
OVERVIEW OF KEY FINDINGS

Profiles of respondent companies

Small enterprises (with 50 employees or fewer) made up the large majority of the survey samples in Armenia, Georgia and Moldova. The samples in Ukraine and Azerbaijan, on the other hand, included higher numbers of medium and large companies. This is an important factor to bear in mind when interpreting the results of the survey.

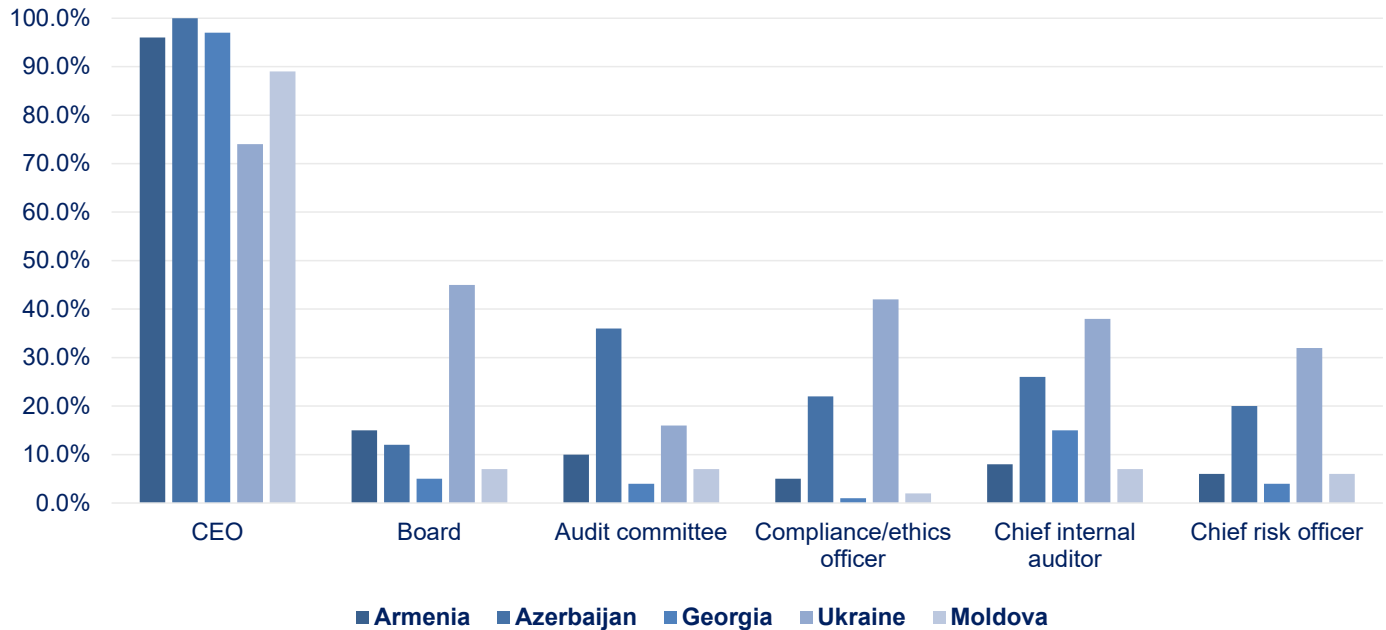
The survey samples overwhelmingly comprised privately owned companies; although, both in Azerbaijan and in Ukraine, 8% of responding companies were at least partially state-owned.

Size of respondent companies: Number of employees



Existence of positions relevant to anti-corruption work

Company has the following positions:



Internal anti-corruption mechanisms

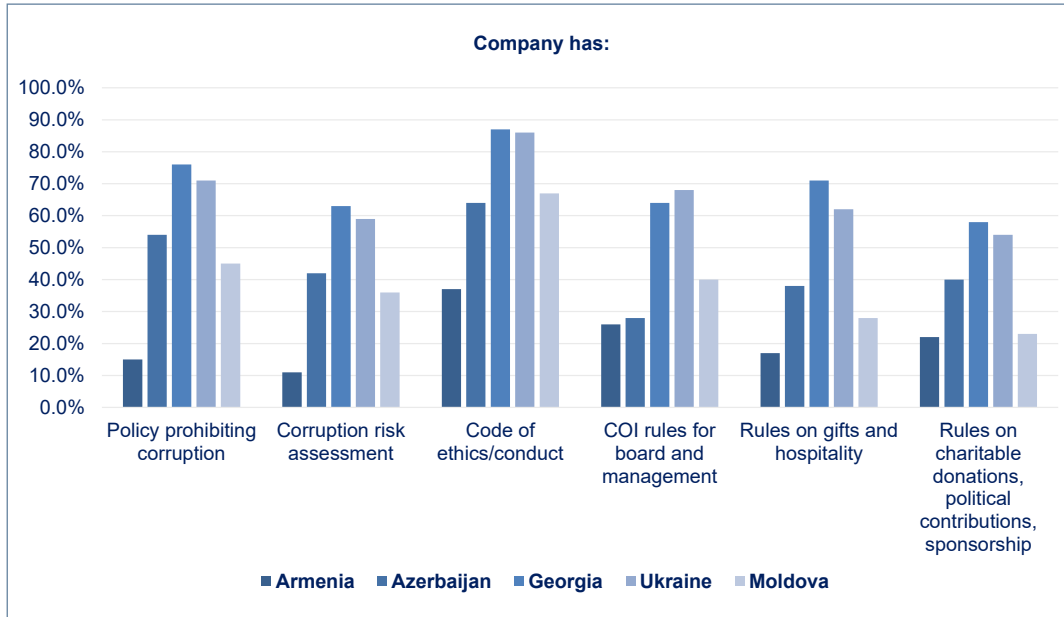
The survey looked into whether companies have various positions that are likely to play a role in the prevention of corruption. Companies in Ukraine reported the highest rates of having a CEO, a board, an audit committee, a compliance/ethics officer, a chief internal auditor and a chief risk officer, followed by those in Azerbaijan. This is in line with the structure of the sample in the two countries in terms of the size of participant entities. In the other countries, very few companies reported even having a board.

A set of questions in the survey focused on the existence within companies of the rules, mechanisms and procedures designed to prevent corruption.

As the results show, a code of ethics or a code of conduct is the most common mechanism of this type in the five surveyed countries: the majority of companies in four countries (and over two-thirds of companies in three countries) have one. A policy prohibiting corruption is also relatively common, with the majority of companies in three countries reporting having adopted one.

Overall, companies surveyed in Georgia and Ukraine reported particularly high rates of adoption of anti-corruption mechanisms. In Ukraine's case, this is in line with the fact that the survey sample there included a considerably larger number of big companies that universally tend to devote more resources to anti-corruption efforts. The results in Georgia are more surprising since small companies made up a large majority of the sample there.

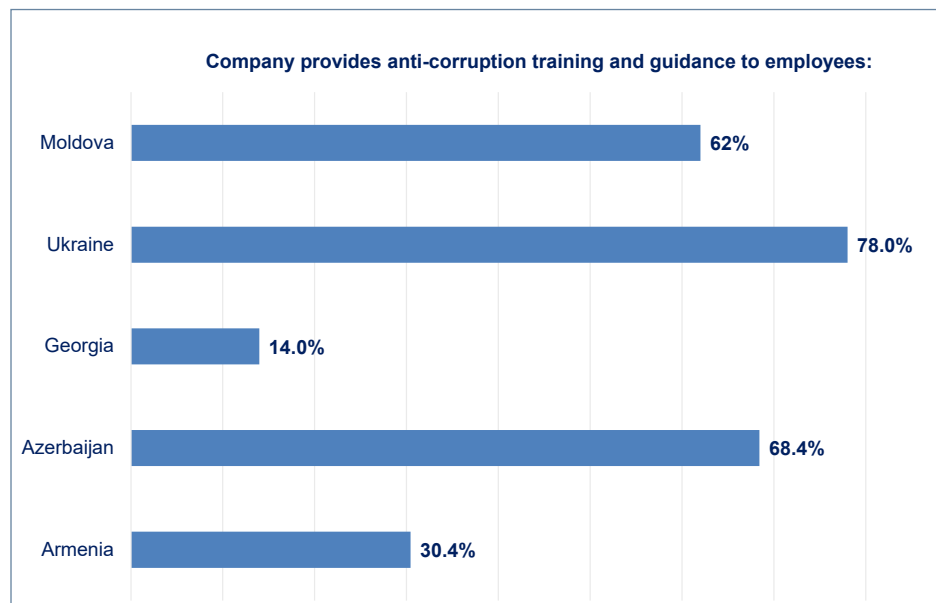
Existence of key anti-corruption mechanisms in companies



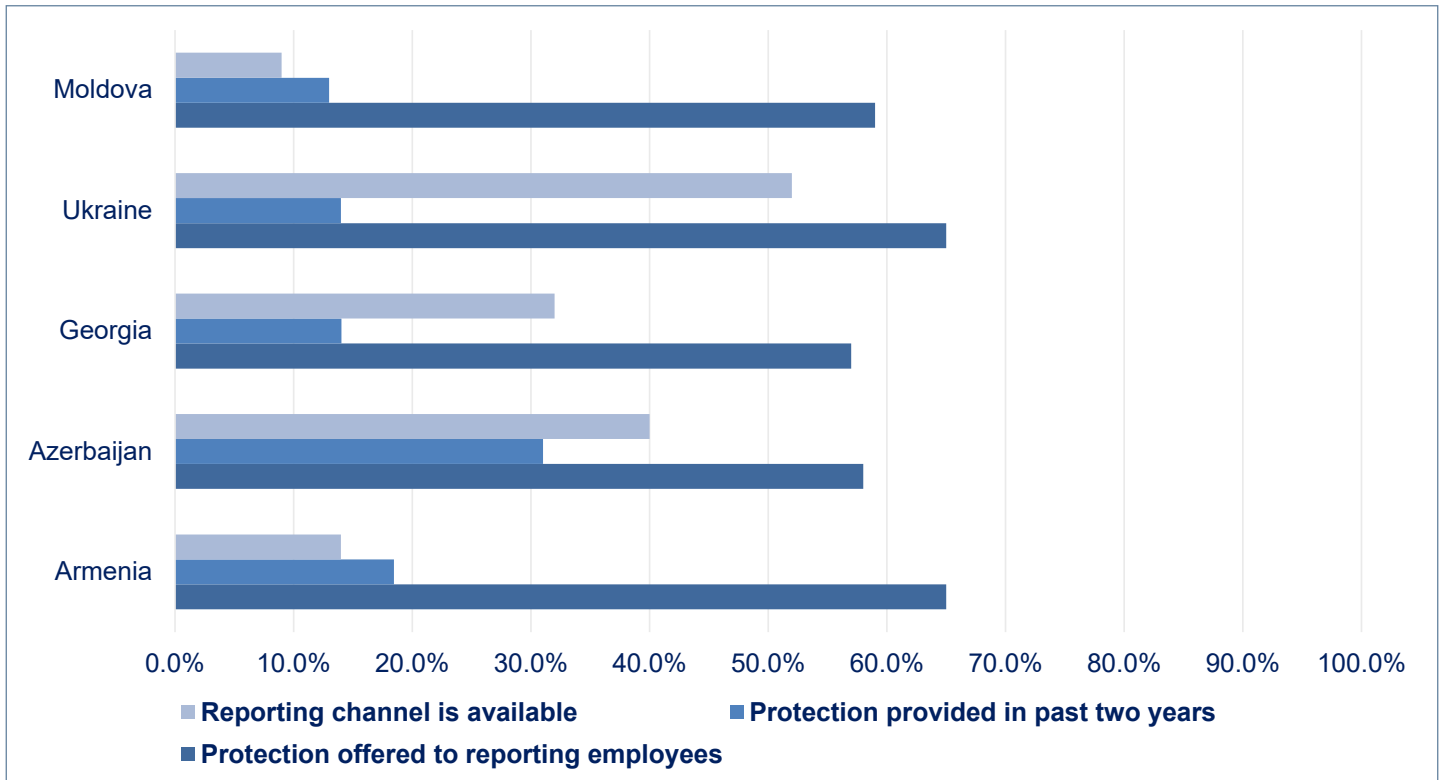
The companies were also asked whether they offer guidance to their employees on compliance with internal anti-corruption rules. Over two-thirds of companies in Ukraine and Azerbaijan, as well as the majority of companies in Moldova, reported providing such guidance. On the other hand, in Georgia, where the reported rate of adoption of various anti-corruption rules was higher, employees appear to be receiving little training on their content.

To assess the likelihood of detection of any violations of anti-corruption rules, companies were asked whether they provide channels through which their employees can report misconduct, whether they offer protection to reporting persons and whether they had provided such protection in practice in the two years prior to the survey. Only in Ukraine did a majority of companies report having established such channels. While most companies in all five countries confirmed that they offer protection, only in Ukraine have a majority of them established a dedicated channel for reporting misconduct. Meanwhile, companies in Azerbaijan reported the highest rate of providing such protection in practice.

Training and guidance for employees on anti-corruption rules

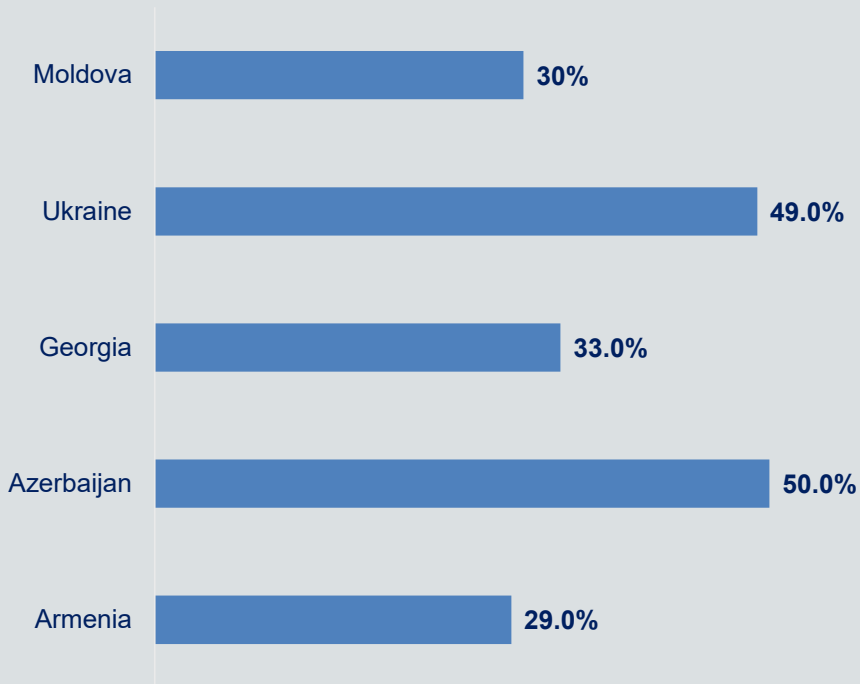


Reporting channels in companies and protection of reporting persons



External audits

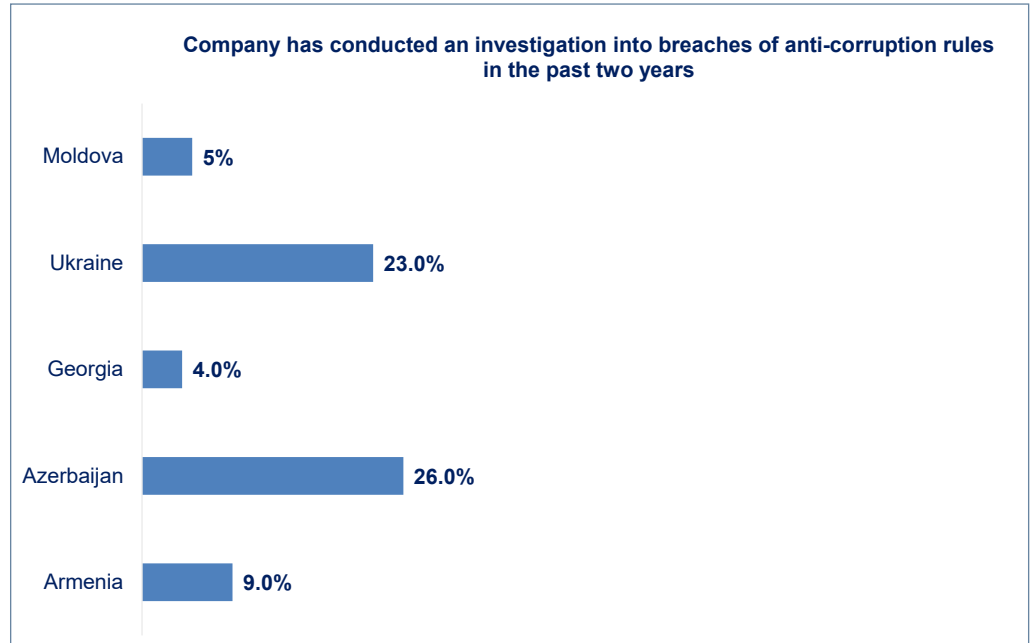
Company has been audited by an external party in the past two years:



External audits are one of the means of detecting possible instances of corruption at company level. Half of the surveyed companies in Ukraine and Azerbaijan reported having been audited by an external party in the past two years. The rate was lower in the other three countries (where most of the participant companies were small) but still amounted to one-third or almost one-third of the total number.

Investigation of possible violations

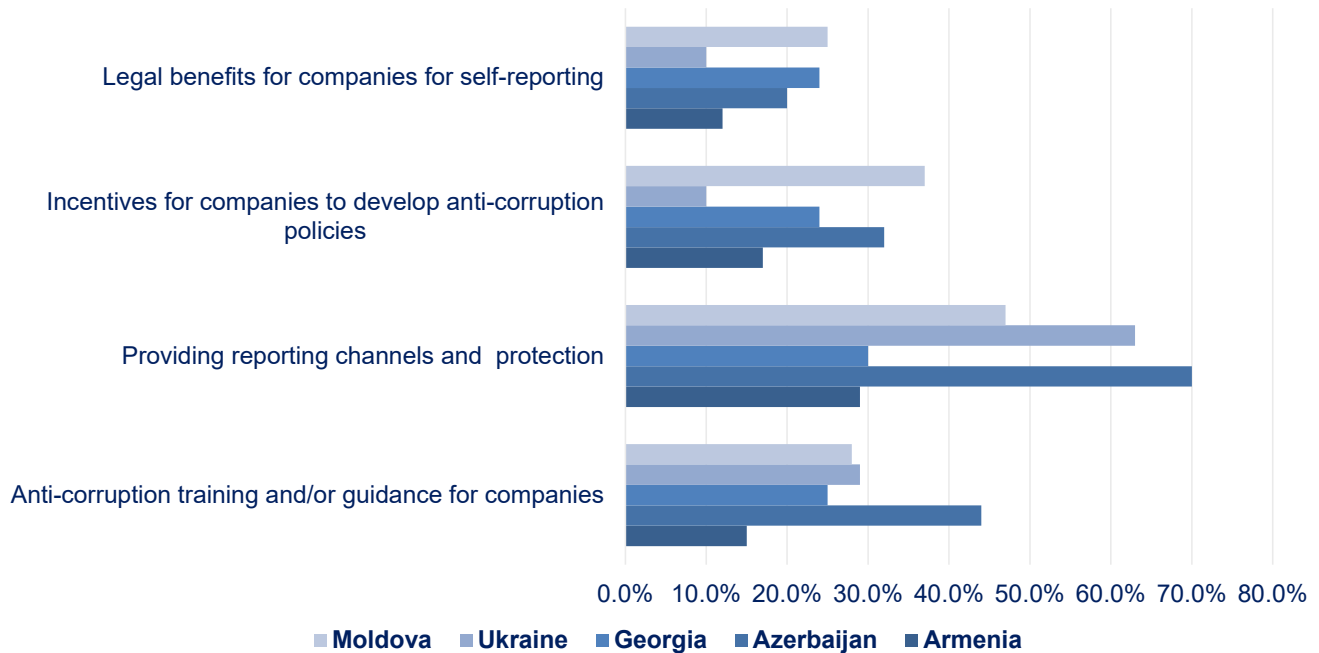
Finally, in terms of the enforcement of internal anti-corruption rules, only in Ukraine and Azerbaijan did a relatively significant number of companies report having conducted at least one investigation of a possible breach of anti-corruption rules by an employee in the past two years.



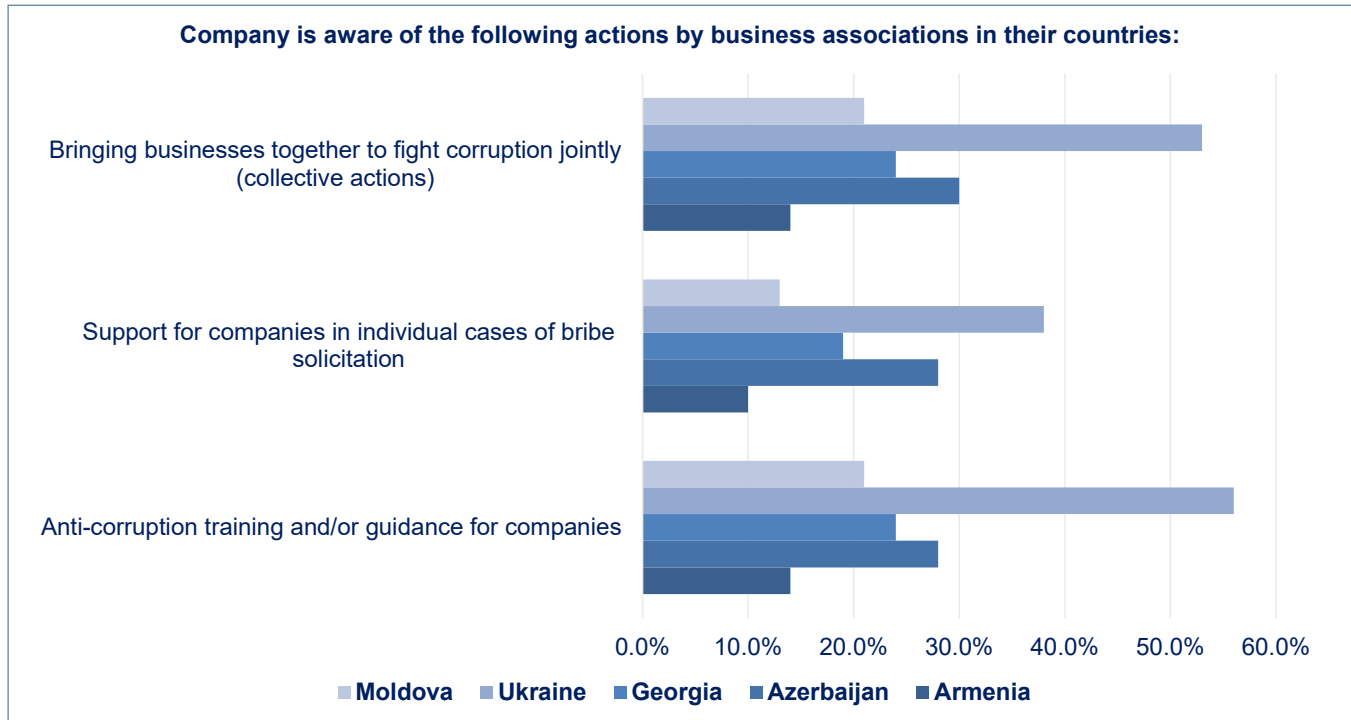
Awareness of business integrity actions by governments and business associations

The surveyed companies generally demonstrated a low level of awareness of any government actions designed to promote integrity in the private sector. In fact, only in Ukraine and Azerbaijan were a majority of companies aware of any such measure (in both cases, provision of reporting channels and protection of reporting persons). This could indicate that either governments are not actively implementing these activities or that they are not sufficiently targeting smaller companies (which made up the larger part of the survey sample in most countries) in their efforts to raise awareness of their policies.

Company is aware of the following actions implemented by the government:



The companies were also asked a similar question regarding the activities of business associations. Only in Ukraine (where the average surveyed company was larger than in other countries) did more than half of the respondents report awareness of any such actions. As with the governments, this could indicate that business associations are not particularly active in targeting smaller enterprises in their anti-corruption work.



A person with a backpack stands on a rocky peak, silhouetted against a bright sunset. The person is looking out over a vast landscape with mountains in the distance. The sky is a mix of orange, yellow, and blue, with some clouds. The overall mood is one of achievement and looking forward.

TAKEAWAYS AND THE WAY FORWARD

KEY TAKEAWAYS

Many of the findings of the survey detailed in the previous section are in line with and confirm the trends that were noted in previous ACN regional studies on business integrity and the broader body of research on the subject. For example, the survey once again demonstrated the correlation between the size of a company and its capacity to develop various anti-corruption rules and procedures, as the reported rate of their adoption (beyond the basic code of ethics) was low in the countries where small companies made up a large majority of the survey sample. Georgia was an outlier in this respect, but follow-up questions demonstrated that, even there, small companies are struggling to put these rules and procedures into practice (the companies in Georgia had the lowest reported rate of the practice of training and guidance for employees on anti-corruption rules).

Enforcement of internal anti-corruption rules turned out to be a challenge across the countries, as well as companies of all sizes. Even in Azerbaijan and Ukraine, where an average responding company was larger, only about one-quarter of them reported having conducted a single investigation into a possible breach of anti-corruption rules in the past two years, and the rate was negligible in the other three countries. The lack of internal channels for reporting suspected violations is likely to be among the reasons for this, as only in Ukraine do over half of the surveyed companies have one. Consequently, while most companies in all countries reported offering protection to reporting persons, the actual practice of provision of such protection is not common.

Finally, the results showed that companies in all countries are largely unaware of the efforts by both governments and business associations to promote integrity in the private sector. This was particularly evident in the countries where the respondents predominantly represented small companies.

CONCLUSION

In conclusion, the 2024 ACN business integrity survey confirmed (although collected from a much larger sample of companies) the main findings of the 2022 ACN study: Business Integrity in Eastern Europe and Central Asia. The results of the survey clearly point to the need for companies to show a stronger commitment to practical application of their internal anti-corruption rules and for governments and business associations to provide them (especially small and medium enterprises) with stronger support in this endeavour.

This survey, in which a new approach to information collection on business integrity in the region was piloted, also demonstrated the potential benefits of disaggregation of data by company size and ownership type, so ACN will aim to further increase the size of the sample in the next surveys to make it possible to draw more definitive conclusions for each type of entity. The results of this and subsequent surveys will be analysed in greater detail in ACN's next study on business integrity in Eastern Europe and Central Asia (expected to be published in 2026). The results will be used in expert discussions with governments, business community representatives and other business integrity champions as part of ACN's regular business integrity consultations, to help inform and guide the work of the ACN Business Integrity Group.



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