CORRUPTION PREVENTION CHALLENGES IN PRIVATE ENTERPRISES IN BOSNIA AND HERZEGOVINA

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CURRENT STATE OF AFFAIRS IN CORRUPTION PREVENTION IN PRIVATE SECTOR
• Corruption Perception Index places Bosnia and Herzegovina in spot no. 85 — almost no change in CPI for the last 4 years
• Despite an unchanged CPI score of 36, recent political developments in Bosnia and Herzegovina are worrying
• Transparency International Bosnia and Herzegovina is working to advance transparency and accountability of prosecution, monitor financing of electoral campaigns and assist citizens in reporting corruption

• Private enterprises with strong international ties (parts of European or global corporations) spearhead internal anti-corruption efforts with the most comprehensive programs for preventing corruptive activities

• Internal programs usually part of Legal, Compliance and/or Security domains/organizational units
• GRECO report on Bosnia and Herzegovina

• Reforms slow or stalling on all levels in Bosnia and Herzegovina

• Recommendations regarding corruption in private sector not implemented

• Legal framework inconsistent in corruption prevention domain

• Foreign Trade Chamber of Bosnia and Herzegovina recognized corruption and unethical behavior as the greatest challenges private enterprises are facing

• Local institutions recognized International Convention on battling corruption as the chief basis for anticorruption framework development in private enterprise

• Wider implementation of ISO 37001 standard (anti-bribery management systems – requirements with guidance for use) seen as possible remedy
• Continuous efforts on promoting systemic anti-corruption approach mainly reside with NGOs
• In 2019, 3 new anti-corruption EU projects (about 3.5 million EUR worth) announced for Bosnia and Herzegovina with Transparency International heading “EU support against corruption in Bosnia and Herzegovina” project
• Anti-corruption strategy for B&H 2020-2025 in the offing, goal to increase effectiveness of 14 anti-corruption bodies in Bosnia and Herzegovina
• Private sector corruption – reflection of public sector corruption?

• Intersectoral corruptive interaction and influence most common – public procurements, tendering procedures in which private enterprises are willing or unwilling (!) participants

• Private investments in public enterprises and public grants for private enterprises and non-governmental organizations

• Lobbying and collusion – restricted only to public sector?

• Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention)
• Issues of Business Ethics and Corporate Social Responsibility - studies

• Corruption as systemic issue stemming from continuous practices?

• Embedded in collective consciousness?

Moral scorn and non-acceptance of corruption — strategic goal!
NECESSITY OF MANDATE EXPANSION FOR KEY ANTI-CORRUPTION FIELD STAKEHOLDERS

- Governmental and NGO stakeholders - differences

- Government institutions and agencies as stakeholders in anti-corruption – divisive, confusing legislation, inarticulate purviews
• Strategic objective 1: **Establishment and strengthening of institutional capacities and improvement of the normative framework for the fight against corruption**

• Strategic objective 2: Development, promotion and implementation of preventive anti-corruption activities in the public and **private sectors**

• Strategic objective 3: Improvement of effectiveness and efficiency of judicial institutions and bodies for law enforcement in the area of the fight against corruption

• Strategic objective 4: **Raising public awareness and promotion of the need for the participation of the entire society in the fight against corruption**

• Strategic objective 5: Establishment of efficient mechanisms for coordination of the fight against corruption, as well as monitoring and evaluation of the implementation of the Anti-corruption Strategy

MAIN ISSUES (AS PER PERTINENT STAKEHOLDERS):

1. RULE OF LAW
2. LEGAL FRAMEWORK
3. ORGANIZED INSTITUTIONS
MAIN ISSUE AS PER HOLISTIC OBSERVATION:

PEOPLE

THANK YOU FOR YOUR ATTENTION!

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