About this report

The European Bank for Reconstruction and Development (EBRD) is deeply committed to promoting integrity, good corporate governance and high ethical standards in its operations. Its reputation and impact depend on these core values.

The EBRD’s Office of the Chief Compliance Officer (OCCO) protects the Bank’s integrity and reputation, sets and reinforces its ethical standards and acts as an independent check to ensure that those standards are met in all aspects of the EBRD’s work. The department plays a central role in ensuring that the Bank’s operations and business partners contribute to well-governed, competitive and sustainable market economies.

The Integrity and Anti-Corruption Report 2020 summarises the actions taken during the reporting period to ensure that the EBRD conducted its business activities with integrity. It also describes how OCCO responded to allegations of fraud and corruption and how those responses enhanced business integrity in the economies where the EBRD invests.
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Message from the President

The Office of the Chief Compliance Officer (OCCO) sets the EBRD’s integrity and ethical standards and acts as an independent check to ensure that we uphold them on the three continents where we invest in order to change lives.

As we begin to rebuild in a just and equitable way after the Covid-19 pandemic, we must uphold and strengthen our core values. Integrity and anti-corruption will remain central to our mission of assisting recovery and promoting transition.

Of particular note in our work in 2020 was the introduction of the EBRD Whistleblowing Policy. The policy will increase transparency and accountability at the Bank and underscores our commitment to integrity and ethical behaviour. It will also encourage a “speak-up” culture by ensuring that sufficient protections are given to those people who, in good faith, report any alleged wrongdoing.

Good governance is a core value of the EBRD. This report provides insights into how we sustain and strengthen it. In these respects, and in many others, the work of OCCO will remain critical to our objective to “build back better” economies.

Odile Renaud-Basso
EBRD President
September 2021
1. Introduction

The European Bank for Reconstruction and Development (EBRD) was founded to help foster the transition of countries committed to, and applying, democratic principles with a view to becoming open and sustainable market economies. The Integrity and Anti-Corruption Report 2020 summarises the work of the Office of the Chief Compliance Officer (OCCO) to advance the anti-corruption agenda and instil a culture of integrity and high ethical standards throughout the Bank, its projects, the community of international financial institutions (IFIs) and the countries in which the EBRD invests.\(^1\)

Corruption distorts markets and erodes trust. The Bank has long recognised that economies cannot be considered well governed or sustainable where corruption is prevalent. Therefore, the role of OCCO in combating corruption and promoting good governance – both within the organisation and in its projects, clients and the economies where the Bank invests – will remain crucial to the EBRD’s objectives.

OCCO is the Bank’s custodian of integrity. It is independent of all of the EBRD’s operational departments. Chief Compliance Officer (CCO) Lisa Rosen heads the department and reports functionally to the EBRD President. She has full and free access to the Chair of the Audit Committee.

In 2020, OCCO had 35 staff members (up from 34 in 2019). It is divided into three teams: Policy and Ethics, Project Integrity and Investigations. Each team uses a combination of tools to help OCCO fulfil its mission, including:

- robust integrity due diligence (IDD) and tax due diligence standards
- capacity-building initiatives to improve the anti-corruption compliance programmes and corporate governance of EBRD clients
- a rigorous framework for investigating and, where necessary, sanctioning parties that have committed fraud or corruption in relation to projects financed by the EBRD, as well as facilitating remediation where appropriate
- well-established policies and procedures and related training aimed at ensuring that EBRD personnel uphold the highest standards of personal integrity and professional conduct in the performance of their duties.

The year 2020 was one like no other. As the global pandemic took hold, international travel was halted and the Bank moved to remote working, OCCO had to consider new and innovative ways to utilise its compliance tools to achieve its mission. The EBRD’s integrity programme remains as nimble and strong as ever. OCCO has remained vigilant to the increased and different integrity risks arising in the Covid-19 environment and has adapted its compliance controls and training offering to address these risks.

1.1. OCCO highlights of 2020

Table 1. Summary of OCCO activity in 2020

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>New projects referred to Project Integrity</td>
<td>664</td>
</tr>
<tr>
<td>Training courses delivered</td>
<td>83</td>
</tr>
<tr>
<td>Code of Conduct queries</td>
<td>288</td>
</tr>
<tr>
<td>New projects referred to the Domiciliation Unit</td>
<td>231</td>
</tr>
<tr>
<td>Capital-markets compliance advice</td>
<td>198</td>
</tr>
<tr>
<td>Staff misconduct complaints (new)</td>
<td>26</td>
</tr>
<tr>
<td>Corruption-related complaints (new)</td>
<td>43</td>
</tr>
</tbody>
</table>

1.1.1. Standards and policies

OCCO’s Policy and Ethics team develops and recommends the policies, rules, procedures and processes that govern the ethical behaviour and professional conduct of EBRD Board Officials, management and staff. The team also sets out the standards of integrity that the Bank expects of its clients, project sponsors and other counterparties and ensures that policies, rules, procedures and processes are effectively communicated, interpreted and implemented. It further aims to ensure that the EBRD’s internal standards of integrity and professional conduct are in line with international best practice, so that they have a demonstration effect in the economies where the Bank invests.

The Code of Conduct for EBRD Personnel and the Code of Conduct for Officials of the Board of Directors (the Codes) are normally reviewed every five years. The last review was completed in 2018 and the revised Codes came into effect on 23 May 2018. In 2020, OCCO commenced..."
a review of the Codes’ misconduct procedures to ensure that they were sufficiently robust and consistent with good international practice among leading IFIs. This review is expected to be completed in 2021.

The EBRD Board of Directors approved the Whistleblowing Policy on 6 May 2020. The Policy and Ethics team spent the following months working to embed the new policy into the Bank’s compliance and legal architecture. It took a number of steps to communicate the key elements of the new policy to EBRD personnel and to update the relevant training materials.

The Policy and Ethics team also oversees the Bank’s approach to capital-markets compliance, which includes the correct handling of material non-public information (MNPI), conflicts of interest between Bank activities and issues arising in relation to the appointment and role of Nominee Directors (NDs). In 2020, OCCO developed and started rolling out a new mandatory online training course on MNPI to relevant Banking personnel.

In addition, the Policy and Ethics team is responsible for the EBRD’s approach to client domiciliation (where third jurisdictions are used in the context of EBRD projects). In 2019, the Bank adopted a revised policy on the domiciliation of EBRD clients in response to developments in international tax policy, putting the EBRD at the forefront of efforts to tackle tax evasion and other harmful tax practices.

In 2020, around 230 projects were referred to the Domiciliation Unit for guidance and review, as part of the enhanced due diligence process applicable under the revised policy. The Domiciliation Unit also updated its due diligence questionnaire (to be rolled out in 2021) and prepared guidance on due diligence for projects under the Bank’s Solidarity Package in response to Covid-19.

1.1.2. Project integrity

The Project Integrity team is responsible for giving IDD advice on EBRD projects. It works with partners across the Bank to ensure that operations have an acceptable integrity profile and provides independent, expert advice on managing integrity risks.

In 2020, 664 potential projects were referred to the team for guidance as part of the IDD process (compared with 670 in 2019).

Over the course of the year, OCCO helped to implement or made material progress on 26 client-specific anti-corruption or compliance action plans, through which EBRD clients agreed to improve their internal controls as a condition of Bank financing. In recognition of the importance of this work in supporting the transition to sustainable, open-market economies, the EBRD has now integrated anti-corruption and compliance work into assessment of the Bank’s transition impact.

1.1.3. Training

OCCO provided training on the EBRD’s ethical principles to 364 members of staff and 25 Board Officials in a course entitled Integrity Matters! It also provided bespoke training to the Ulaanbaatar Resident Office. These training sessions would normally have been delivered in person, but, as a result of the pandemic, IDD and other OCCO training courses were adapted for video-conference delivery.

OCCO participates in the EBRD’s training programme for NDs by holding a course for new and prospective NDs on their roles and responsibilities under the Nominee Director Rules. In 2020, it provided this specialist training to 25 NDs.

OCCO provides all project-facing staff members with a range of compulsory training programmes on IDD, anti-corruption and capital-markets compliance. These programmes include mandatory training on joining the Bank and IDD refresher courses at three-year intervals thereafter. In 2020, OCCO delivered IDD and anti-corruption training to 682 staff members in 58 sessions.

OCCO also delivered a specialist module to all Banking staff on identifying and handling material non-public information (MNPI). Over 800 staff have completed the online training module.

OCCO continued to provide training to relevant staff on the Domiciliation Policy, including how to conduct project-by-project due diligence. In addition, it started to provide training on the revised policy to Resident Offices, with a visit to the Cairo Office in January 2020.

1.1.4. Investigations

OCCO received 43 new complaints of Prohibited Practices in Bank operations in 2020: 29 complaints involving procurement exercises in the Bank’s public-sector operations and 14 complaints to do with the Bank’s private-sector operations. Four of these matters were referred to the Bank’s Enforcement Commissioner for action under the Bank’s Enforcement Policy and Procedures. In three cases, OCCO found that the conduct had occurred but chose to resolve it with a warning or
a declination notice. One further matter resulted in a referral to national authorities. As a result of OCCO’s referrals in 2020, the Bank’s Enforcement Commissioner debarred four entities and two individuals for periods of up to three years.

OCCO accepted and investigated 26 new complaints of suspected staff misconduct in 2020 and carried forward a further two matters from 2019. Of these, 27 were resolved, with just one remaining under investigation in 2021.

Due to travel restrictions, the Resident Office inspections programme was suspended for the duration of 2020. The initiative aims to detect and deter misconduct and identify areas of vulnerability in the internal controls of Resident Offices. In consultation with the EBRD’s Client Services Group, the Investigations team is exploring remote solutions, so that it can resume the initiative in 2021.

1.1.5. International cooperation

In 2020, OCCO remained actively engaged with its international partners, either as part of intergovernmental initiatives or in cooperation with multilateral development banks (MDBs).

OCCO initiated bi-weekly meetings between the heads of compliance at key MDBs, including the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Investment Bank (EIB), the Inter-American Development Bank (IADB) and the International Finance Corporation (IFC). These meetings responded to the unique challenges of 2020 and ensured that, during the Covid-19 pandemic, stakeholders remained able to coordinate efforts, understand the unique compliance risks arising from the pandemic and respond accordingly. The specific objectives of these meetings included the enhancement of coordination on compliance issues, especially for co-financed projects, whether under the institutions’ Covid-19 facilities or other projects, and identifying Covid-19-related compliance issues.

OCCO oversees the EBRD Anti-Corruption Community of Practice (CoP) with the aim of presenting, discussing and coordinating the various anti-corruption activities of the Bank. Membership is open to all EBRD staff interested in MDB anti-corruption programmes and anti-corruption issues more generally. Participants in the CoP in 2020 included representatives of the Banking, Procurement Policy and Advisory Departments, the Trade Facilitation Programme, the Office of the General Counsel and the Governance and Political Affairs Department.

The Anti-Corruption CoP meetings in 2020 focused on both the Bank’s broad anti-corruption initiatives and its strong stance against corrupt practices in its response to the Covid-19 pandemic. On the latter, the meetings explored the main corruption risks the Bank has faced during the pandemic, as well as ways it can bolster its anti-corruption efforts while striking a balance between helping the economies in which it invests and maintaining high integrity standards.

Other themes discussed in 2020 included the Bank’s anti-corruption cooperation with the United Nations Office on Drugs and Crime, as well as various capacity-building efforts aimed at combating corruption in the economies where it invests. These initiatives included supporting Moldova in developing an electronic procurement system, assisting Serbia with business inspection reforms and contributing to state-owned enterprise (SOE) reform in Ukraine.

Section 6 provides further details of this and other forms of international cooperation that OCCO either participated in or led.
2. Standards and policies

OCCO is responsible for the development and maintenance of the Bank’s integrity and anti-corruption standards. It helps to identify, assess and monitor integrity risks arising from failure to comply with these standards and policies. This chapter outlines the main OCCO policies and procedures that are specifically and directly concerned with integrity and anti-corruption and highlights any material updates or amendments.

2.1. Integrity Risks Policy

The EBRD’s Integrity Risks Policy sets out the Bank’s corporate values and principles with regard to the management of its integrity risks. The policy identifies and defines the main types of integrity risk that concern the Bank and outlines integrity and ethics responsibilities within the EBRD, including OCCO’s terms of reference.2

Case study 1. Political activity

Over the course of 2020, OCCO advised several staff members who had either published or wished to publish material of a political nature on social-media and professional networking sites.

Rule 5 of the Code of Conduct and the Guidance Note to Rule 5 allow staff to participate in a democratic process, including through membership of a political party that espouses democratic principles. However, while working at the Bank, staff may not engage in political activity that may interfere or conflict with their official duties or status.

For the Bank to work effectively, staff must owe their loyalty exclusively to the organisation and be perceived to be objective and impartial in their official conduct. For this reason, Bank personnel must remain independent of any authority outside of the organisation and their conduct must demonstrate such independence.

If staff wish to publish material of a political nature, it must be done in a private capacity, without reference to the EBRD as their employer, on their own time and in compliance with national laws. The Bank’s Procedure on External Communications requires staff to consult their line manager, Director or Managing Director, as applicable. They must also seek clearance from the Managing Director for Communications and Business Information Services prior to publication in any format.

OCCO advised staff that social-media channels and professional networks might make it difficult to separate personal views from professional conduct. Staff were advised to use the utmost care and discretion to avoid the public confusing a staff member’s individual views with those of the EBRD.

2 See EBRD (2016a).
3 See EBRD (2018a and 2018b).
4 See EBRD (2016b).

2.2. Codes of Conduct

The Code of Conduct for Officials of the Board of Directors of the EBRD and Code of Conduct for EBRD Personnel are approved by the Bank’s Board of Governors.3 The Codes set out the values, duties, obligations and ethical standards the EBRD expects of its Board Officials and staff. Together with the Conduct and Disciplinary Rules and Procedures (CDRPs)4 for staff members, they set out the types of act or omission that may be considered misconduct, the Bank’s investigation procedures and the potential sanctions for unethical behaviour. To enhance internal governance, in 2020 OCCO commenced a review of the Codes’ misconduct procedures, which is expected to conclude in 2021.

Throughout 2020, the department continued to provide extensive advice on the Codes to staff and Board Officials, responding to more than 288 compliance enquiries and providing 21 authorisations under the Codes. In comparison, 2019 saw 335 Code-related compliance enquiries and 37 authorisations.

6 Code of Conduct for Officials of the Board of Directors of the EBRD

6 Code of Conduct for EBRD Personnel
2.3. Enforcement Policy and Procedures

The EBRD’s Enforcement Policy and Procedures (EPPs) set out the Bank’s policy and procedures for investigating and processing allegations of Prohibited Practices in relation to Bank assets and any activities and projects that the Bank has financed, or intends to finance, from any of its resources.5

In 2020, OCCO accepted 43 new complaints alleging the occurrence of a Prohibited Practice in either the EBRD’s public-sector procurement or private-sector operations. It carried forward 20 complaints received in the preceding reporting periods. Of the 63 matters the Investigations team worked on in 2020, 29 were finalised and 34 remained open at the end of the reporting period.

2.4. Whistleblowing Policy

In May 2020, the Board of Directors approved the Bank’s first standalone Whistleblowing Policy.6 The Policy is designed to increase transparency and accountability at the Bank and further demonstrate its commitment to integrity and ethical behaviour. It encourages a “speak-up” culture by ensuring that sufficient protections are given to people who, in good faith, report any alleged wrongdoing. In addition to the terms of the Whistleblowing Policy, the Bank’s Codes of Conduct and CDRPs make it clear that:

- EBRD staff members and Board Officials have an obligation to report suspected misconduct within the Bank and suspected Prohibited Practices in relation to the Bank’s projects
- retaliation or reprisal against a person is prohibited and may amount to misconduct.

Collectively, this framework demonstrates that the EBRD has long recognised whistleblowing as a fundamental aspect of its accountability framework and a critical element of good governance. Various steps have been taken to embed the Whistleblowing Policy, such as:

- the creation of a dedicated, secure email account (whistleblowing@ebrd.com)

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5 See EBRD (2017 and 2018c).
6 See EBRD (2020a).

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Case study 2. Outside activities

Mr A, an employee in an EBRD Resident Office, wished to conduct an outside activity with Company B, which was active in a sector in which the EBRD had invested.

Under Rule 4(a) of the Staff Code of Conduct, staff members must seek appropriate authorisation prior to conducting outside activities, including self-employment or the rendering of services to any outside entity.

Rule 4(a) also states that “such authorisation will normally be given for outside activities so long as they are not incompatible with the full and proper performance of the Bank Personnel’s official duties and do not give rise to a Conflict of Interest”. A conflict of interest in this context is defined under Rule 3(a) of the Code of Conduct as “a situation or circumstances in which private interests of Bank Personnel influence or may influence the objective and impartial performance of their official duties. In this regard, private interests include any advantage for themselves, their families or personal acquaintances.”

OCCO decided to grant authorisation for the outside activity, but made its permission conditional on Mr A agreeing to promptly inform OCCO if a conflict of interest or the appearance of a conflict of interest arose at any point during that activity. In particular, if Mr A were to learn of an actual or potential future connection between the EBRD and Company B, he agreed to notify OCCO immediately, so that he could be advised on the appropriate course of action. Mr A also agreed to maintain open communication with his senior managers concerning Company B’s activities.
2.5. Conduct and Disciplinary Rules and Procedures

Allegations of staff misconduct are investigated under the CDRPs. Here, there is a clear division of responsibility between the CCO as factfinder with regard to complaints of misconduct and the Managing Director of Human Resources and Organisational Development (MD HROD) as decision-maker on any disciplinary action.

Revision of the CDRPs, together with the Harassment-Free and Respectful Workplace Procedures (RWPs), which set out the processes for dealing with improper interpersonal behaviour, began in 2020. This work, undertaken by HROD, the Office of the General Counsel and OCCO, seeks to further strengthen the Bank’s phased reporting mechanism, under which allegations of improper interpersonal behaviour are managed. It is due for completion in 2021.

In 2020, OCCO accepted 26 new complaints of suspected misconduct and carried forward a further 2 from 2019. Of these, 24 were received under the CDRPs and 4 were referred by the MD HROD under the RWPs.

2.6. Nominee Directors and capital-markets compliance

To advance the transition impact of its equity investments and to add value to investee company business, the EBRD appoints NDs to the boards of investee companies on a case-by-case basis. The NDs are experts in their field, with a particular skillset relevant to the Bank’s investment. The nomination process is regulated by the Rules and Procedures Relating to the Selection and Appointment of EBRD Nominee Directors and Members of Equity Fund Committees (the Nominee Director Rules). These set out the procedures for the nomination, selection and approval of NDs (including background checks for certain external candidates) and members of equity fund committees, as well as any follow-up actions required.

Although the process is managed by the Equity Portfolio Management Unit (EPMU), OCCO supports the training of NDs and provides guidance on the Nominee Director Rules and the role of NDs more generally.

Over the course of 2020, the EBRD’s equity investments gave rise to 25 new seats on the boards of investee companies. These included replacements for outgoing Bank-appointed NDs and brought the total number of board seats held by the EBRD to 244. They entailed the appointment of 13 men (6 internal and 7 external) and 12 women (11 internal and 1 external) for a total of 22 new appointees, 3 of whom each took up 2 new roles during the year.

In addition, 38 new appointments were made to the committees of equity funds in 2020, across a total of 14 committee members.

OCCO continues to provide advisory support to NDs when conflicts arise between the interests of different investors and/or other stakeholders, or where NDs are required to mediate between different interest groups. In 2020, OCCO received and responded to 32 such requests in addition to its role in approving new NDs.

In response to a request from Banking management, in 2020, OCCO also provided specific guidance to relevant Banking personnel on communications with NDs.

Case study 3. ND conflict of interest

The Bank was considering the credentials of an individual who wished to serve as an ND. A question was raised with OCCO as to whether the individual could serve as an ND while continuing to hold elected political office.

The Nominee Director Rules state that a conflict of interest may arise from a variety of circumstances, including from an ND’s other employment. OCCO advised that under the circumstances, the individual could not serve as an ND for the EBRD, unless, consistent with the Nominee Director Rules, she: (i) resigned from political office; (ii) observed a significant “cooling off” period between her political resignation and her appointment as an ND; and (iii) would only be appointed to an ND role that did not overlap geographically with the country or wider sub-region in which she had political exposure.
OCCO created information barriers and/or provided capital-markets compliance advice in relation to 198 projects in 2020 to mitigate potential conflicts of interest between Bank projects or activities and to ensure the correct handling of MNPI. Approximately two-thirds of these projects involved investments in or divestments of listed securities. OCCO’s advice on listed transactions was sought to ensure that the Bank was not investing in or divesting listed securities while in possession of MNPI and to restrict the flow of information associated with such listed securities. OCCO also handled 29 wall-crossing requests in 2020.

In 2020, OCCO conducted extensive training to ensure that the MNPI Procedure and the Conflicts of Interest Procedure (both approved in 2019) were integrated into the Bank’s activities. An online training course to supplement classroom training on how to identify and handle MNPI was published in 2020 and made mandatory for relevant Bank personnel.

Case study 4. Avoiding conflicts of interest

The EBRD was initially approached by a private equity firm to act as an equity co-investor in a prospective investee target. The proposed transaction structure later changed to a competitive auction, in which the EBRD could potentially have provided acquisition debt finance to two of the parties bidding.

To avoid potential conflicts, OCCO worked with Banking to arrange for a strict separation between the Banking personnel supporting each of the bidders in the auction. This ensured that both clients were treated equally and fairly, and that no preferential treatment was given. The separation also ensured that no bid-specific confidential information was shared between the internal Banking teams supporting different bidders to the detriment of other potentially interested parties.

Case study 5. Working with competing clients

The EBRD was the financier of a renewable energy project for an existing client (“Client A”). A new opportunity arose to finance a separate renewable energy project for a new client (“Client B”) that was geographically close to and in the same sector as the first project. Although separate in terms of ownership, Client B’s project may have relied on certain energy infrastructure owned by Client A. Moreover, Client A and Client B were competitors. As set out in the Conflicts of Interest Procedure, if there is a specific concern as to potential conflicts of interest between clients, then this must be discussed with OCCO, and it may be necessary to impose information barriers between project teams.

After discussion with OCCO, it was established that there was a potential conflict of interest between Client A and Client B that could be to the detriment of either client, particularly if commercially sensitive information were inadvertently shared between the two clients. To ensure that there was no adverse outcome for either client, OCCO imposed a formal separation of the two teams.
2.7. Domiciliation

Since 2018, OCCO’s remit has included responsibility for the EBRD’s approach to client domiciliation (the location of client entities in cross-border ownership structures). Consequently, a dedicated Domiciliation Unit, now with seven staff, has been set up within OCCO’s Policy and Ethics team to handle this remit.

As an IFI with a mandate to promote the transition of countries to well-functioning market economies, the EBRD supports global efforts to discourage tax evasion and other harmful tax practices. In this context, the EBRD’s Policy on the Domiciliation of EBRD Clients (the Domiciliation Policy) sets out the conditions under which the EBRD may finance a project when the borrower, the investee or a controlling entity is domiciled in a jurisdiction other than the country where the project is located (a third jurisdiction).\(^7\)

A revised policy was approved in January 2019 and entered into force in July 2019 in response to developments in international tax policy. It is based on internationally accepted tax standards – including recent Organisation for Economic Co-operation and Development (OECD) standards on the automatic exchange of information and on base erosion and profit shifting (BEPS)\(^8\) – to determine whether jurisdictions used in cross-border ownership structures are acceptable.

The revised Domiciliation Policy also has enhanced project-by-project due diligence. In addition to identifying sound business reasons for using third jurisdictions, this ensures that individual projects meet new global standards on the exchange of information and BEPS (for example, to avoid the abuse of tax treaties) and give due consideration to other relevant standards.

In 2020, around 230 projects were referred to the Domiciliation Unit for guidance and review as part of the due diligence process on domiciliation.

Consistent with the revised Domiciliation Policy, project-by-project due diligence has been enhanced to ensure compliance with international tax standards. Box 1 sets out OCCO’s enhanced approach to domiciliation, while case study 6 illustrates how it has been applied in practice.

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\(^7\) See EBRD (2019c).

\(^8\) Base erosion and profit shifting refer to the tax-avoidance strategies multinationals use to "shift" profits from higher-tax jurisdictions to lower-tax jurisdictions, "eroding" the tax base of the higher-tax jurisdictions.
Case study 6. **Relocation of holding entity**

The EBRD was considering a loan to an industrial company in a country where the Bank invests. The ownership structure initially involved a top holding entity in Latin America and a specialised sub-holding entity in Europe. Project-by-project domiciliation due diligence showed that there were no strong business reasons for maintaining the top holding in the jurisdiction in question and that it had limited economic substance in that jurisdiction. There was, therefore, a risk of the ownership structure being considered artificial.

The Banking team and OCCO engaged with the client to determine whether the top holding entity genuinely needed to be maintained in its jurisdiction. As a result, the client agreed to relocate the top holding entity to the jurisdiction of the sub-holding entity, thereby streamlining the holding structure.

To support this work, OCCO is planning to recruit two additional staff specialists in 2021. The Domiciliation Unit will then comprise a Head of Unit, five Principals (tax specialists) and a Senior Officer. In 2020, it also had the support of two secondees from reputable law firms.

6 Policy on the [Domiciliation of EBRD Clients](#)
3. Training

To support the policies and standards detailed in Chapter 2, OCCO provides extensive training to EBRD staff members, Board Officials, NDs and third parties in the economies where the Bank invests. This chapter describes the training courses that OCCO provided in 2020.

3.1. Ethics, integrity and ND training

OCCO adapted its training strategy for the Covid-19 pandemic in 2020, conducting its core ethics course – *Integrity Matters!* – through live video conferences to maintain the consistent, high-quality ethical behaviour of staff and Board Officials. The course provides guidance to staff on how to apply the Codes and the Bank’s ethical standards and principles. In 2020, OCCO delivered this training to 364 staff members and 25 Board Officials. It also provided a bespoke virtual training session to the Ulaanbaatar Resident Office.

OCCO also participates in the EBRD’s training programme for NDs. It holds a course for new and prospective NDs on their roles and responsibilities under the Nominee Director Rules, their reporting obligations (also with regard to suspected Prohibited Practices) and how they should identify and manage any potential conflicts of interest (including any conflicts between their obligations to the investee company and their obligations to the Bank). In 2020, it provided this specialist training to 25 NDs.

Table 2 summarises the courses provided in 2020.

3.2. Training for staff on IDD, anti-corruption, capital-markets compliance and domiciliation

In addition to the mandatory *Integrity Matters!* training for new joiners, OCCO provides all project-facing staff members with a suite of compulsory training programmes on IDD, anti-corruption and capital-markets compliance. These programmes involve mandatory training when joining the Bank and refresher courses on IDD at three-year intervals thereafter.

OCCO also provides additional, optional training to boost the effectiveness and skills of staff members. To date, the department has designed 12 distinct courses on IDD. OCCO staff members deliver all of these internal courses, thus improving the consistency, relevance and usefulness of the training.

In 2020, OCCO delivered IDD and anti-corruption training in 58 live, virtual sessions for 682 staff members. This was down slightly from the 795 staff trained in 2019.

Table 2. Integrity and ND training

<table>
<thead>
<tr>
<th>Course description</th>
<th>Attendees in 2019</th>
<th>Attendees in 2020</th>
<th>Courses held in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Integrity Matters!</em> training for staff</td>
<td>300</td>
<td>364</td>
<td>19</td>
</tr>
<tr>
<td>A mandatory two-hour training course that all new staff are required to take within six months of joining the Bank. The course explains how to apply the Codes of Conduct and outlines the ethical standards that all staff and Board Officials are expected to fully understand and to which they must adhere.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Integrity Matters!</em> training for Board Officials</td>
<td>11</td>
<td>25</td>
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</tr>
<tr>
<td>As above, for all Board Officials.</td>
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<td></td>
<td></td>
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<tr>
<td>Bespoke <em>Integrity Matters!</em> training</td>
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<td>2</td>
<td>2</td>
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<tr>
<td>Training for NDs</td>
<td>26</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>A mandatory two-day training programme for all EBRD staff and the external consultants the Bank appoints to act as NDs on its behalf.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>337</td>
<td>452</td>
<td>25</td>
</tr>
</tbody>
</table>
OCCO delivered a specialist module on identifying and handling MNPI to all staff in Banking, with 858 staff completing this online training module.

Table 3 summarises the IDD, anti-corruption and capital-markets compliance training courses provided in 2020.

Lastly, following the entry into force of the Bank’s revised Domiciliation Policy in 2019, OCCO continued to provide training to relevant staff on the revised policy, including how to conduct project-by-project due diligence. OCCO provided tailored training sessions for a number of Banking teams over the course of 2020, including Financial Institutions teams, central Europe teams and teams involved in the implementation of donor funds. OCCO also started to provide training on the revised policy to Resident Offices, with a visit to the Cairo Office in January 2020.

### Table 3. IDD and anti-corruption training

<table>
<thead>
<tr>
<th>Course description</th>
<th>Attendees in 2019</th>
<th>Attendees in 2020</th>
<th>Courses held in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IDD and anti-corruption training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A mandatory two-hour course to educate all new project-facing staff on anti-money laundering (AML), countering the financing of terrorism (CFT) and IDD, including a 30-minute session on capital-markets compliance.</td>
<td>186</td>
<td>199</td>
<td>22</td>
</tr>
<tr>
<td><strong>IDD refresher course</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A mandatory two-hour course designed to update project-facing staff who received IDD training more than three years previously.</td>
<td>156</td>
<td>189</td>
<td>14</td>
</tr>
<tr>
<td><strong>IDD second refresher workshop</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A 90-minute workshop for project-facing staff who attended the IDD refresher course more than three years previously.</td>
<td>192</td>
<td>195</td>
<td>14</td>
</tr>
<tr>
<td><strong>Business IDD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A two-and-a-half-hour course on business IDD, to help project-facing staff at all levels to hone their questioning and intelligence-gathering skills, enabling them to obtain as accurate a picture as possible of the integrity status of projects at the pre-approval stage.</td>
<td>33</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td><strong>Essentials of IDD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A 90-minute course for all professional staff involved in Bank projects. The training introduces the Bank’s IDD procedures and guides bankers through effective strategies for conducting IDD.</td>
<td>59</td>
<td>42</td>
<td>3</td>
</tr>
<tr>
<td><strong>Compliant or complacent?</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A 90-minute interactive course for all professional staff involved in Bank projects. The training equips bankers with additional skills to assess a client’s anti-corruption measures and other internal controls, including compliance with AML and CFT regulations and sanctions.</td>
<td>94</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td><strong>Portfolio Operation Leader training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A 90-minute training session for all prospective portfolio Operation Leaders. The programme includes a 1.5-hour session on how to monitor the integrity of Bank projects and what to do if fraud and/or corruption are suspected. The course includes real-life case studies and a practical, interactive exercise.</td>
<td>35</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td><strong>Clients with poor integrity – handling difficult communications</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A 90-minute interactive course for all professional staff involved in Bank projects. It offers strategies for handling discussions with potential clients who have been found to be unacceptable under the EBRD’s IDD Guidelines.</td>
<td>40</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>795</td>
<td>682</td>
<td>58</td>
</tr>
</tbody>
</table>
3.3. **International Anti-Corruption Day 2020**

The General Assembly of the United Nations has designated 9 December ‘International Anti-Corruption Day’ to raise awareness of the problems of corruption and how they are being addressed.

For the fifth time, the EBRD marked International Anti-Corruption Day with a public event. In a virtual panel, renowned journalists Misha Glenny and Tom Burgis explored the means through which corrupt individuals exploit the international financial system and offered solutions as to what can be done to stem the flow of illicit money. The two panellists drew from their extensive experience covering global corruption and the journey illicit funds make from “kleptocratic” countries to international financial hubs, such as the City of London and Wall Street.

President Odile Renaud-Basso and CCO Lisa Rosen spoke at the opening of the event, which was moderated by EBRD Managing Director of Communications, Jonathan Charles.


In 2020, Mr Burgis published *Kleptopia,* which explores how kleptocracies (societies whose leaders enrich themselves by stealing from the rest of the people) are powered by corruption. *Kleptopia* followed the flow of dirty money from these countries to the western financial system, where it found a safe haven under the democratic rule of law. During the panel, both speakers explored how the issue of illicit financial flows has evolved since the publication of Mr Glenny’s book more than a decade ago.

According to Mr Glenny, the problem of illicit financial flows has become worse, though increased awareness and the introduction of real mechanisms to tackle the issue have started to make an impact. Mr Burgis was also of the view that there is greater public awareness of potential corruption since *McMafia.* According to Mr Burgis, the key difference to 2008 is that the public’s interest in corruption has shifted from focusing on the unfair allocation of wealth to realising that illicit foreign money is now accompanied by the spirit of kleptocracy, which has made its way into the public institutions of democratic countries.

A great deal of the discussion focused on whether the kleptocracies or the democracies were more ahead of the game. The panellists agreed that many nations had suffered because of the capture of their state institutions by kleptocrats, who currently appear to have the upper hand. They agreed, however, that the fight back is under way and that it is not too late to turn the tide.

The panellists stressed that despite democracies’ progress in combating corruption and money laundering, a key challenge is the lack of funding and resources available to enforcement institutions. For this reason, the new tools available to enforcement agencies have been used in most cases only against the “lowest-hanging fruit”. Both speakers agreed that these institutions should receive more resources to effectively tackle the flow of illicit funds.

Overall, the event highlighted the important role that civil society, enforcement agencies and IFIs should continue to play in preventing corruption and served as a reminder to Bank staff and the EBRD community to remain vigilant in the fight against corruption.

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9 See Glenny (2008).
10 See Burgis (2020).
4. Project integrity

The EBRD believes that identifying and resolving issues at the project assessment and approval stages is the most effective way of protecting the integrity of Bank transactions. OCCO plays a key role in these protective efforts and also helps to monitor projects after investment. This chapter describes OCCO’s approach to IDD and its contribution to the Bank’s transition mandate, by strengthening client governance and promoting integrity and compliance in the economies where the EBRD invests.

4.1. Ex-ante IDD

OCCO takes a robust approach to assessing prospective projects. IDD includes, but is not limited to, examining and assessing integrity risks and issues, such as:

- the ownership structure and identity of ultimate beneficial owners
- the origins of a company and the source of wealth of key figures
- business practices and associations with counterparties
- the presence of politically exposed persons
- the quality of AML and CFT controls
- government-issued licences and permits
- the use of offshore jurisdictions
- links to countries or individuals subject to international sanctions.

Although responsibility for the integrity of EBRD projects lies with the Banking teams as the first line of defence, where the IDD process identifies significant integrity concerns or where a potential project meets certain criteria, these issues must be referred to OCCO. The Project Integrity team, as the second line of defence, provides independent advice to the Operations Committee (OpsCom) or Small Business Investment Committee on whether the potential risk is acceptable to the EBRD. OpsCom, comprising representatives of most of the Bank’s Vice Presidencies and advised by OCCO, decides on the acceptability of potential integrity risks before submitting the project for approval by the Board of Directors.

In 2020, 664 potential projects were referred to the Project Integrity team for guidance, compared with 670 in 2019. In a number of cases, OCCO’s support was subject to “integrity conditions”, such as the completion of an anti-corruption action plan to secure EBRD financing. In other cases, OCCO objected to the project on integrity or reputational grounds. While it is not possible to determine the precise number of projects that do not proceed based on integrity risks alone, OCCO rejected 44 potential projects on this basis in 2020, up from 22 in 2019. This number does not include early-stage prospects that Banking teams may have rejected for integrity reasons without OCCO’s input.

The number of requests for integrity advice on new projects has increased steadily since 2013. This is due to the EBRD’s expansion into new economies, its ambitious investment targets for 2020, the growing complexity of integrity issues and the fact that OCCO has provided more training to project-facing staff on the projects they should refer to the department. To cope with the volume of projects during the reporting period, the Project Integrity team grew to 14 staff members (as of 31 December 2020) from 13 (31 December 2019), and seconded two staff members from Banking.

Figure 1. Number of projects referred to OCCO’s Project Integrity team
4.2. Enhancing our project integrity work

In 2020, the Project Integrity team continued to deepen its programme of regional specialisation and greater engagement with the Bank’s Resident Offices. This work aims to provide more nuanced integrity advice and to increase OCCO’s visibility and engagement in the economies where the Bank invests. Each member of the Project Integrity team focuses on a certain number of economies to gain a deeper understanding of integrity issues from a local perspective.

In 2020, OCCO remained involved in the ex-ante IDD review of all projects in Lebanon and in the West Bank and Gaza, in line with its commitment to the Board.

OCCO regularly reviews and updates the IDD guidelines, procedures and integrity checklists to ensure that the EBRD’s integrity approach responds to evolving integrity risks, the increasing complexity of integrity requirements and the ever-changing global context, including the impact of the Covid-19 pandemic.

As part of the process of continuous improvement and a drive towards automation, in 2020, OCCO launched its Smart Working initiative, designed to ensure that OCCO’s processes are streamlined and simplified, enabling OCCO staff to focus on work that is substantive and value adding. As part of the initiative, a new Integrity Questionnaire was rolled out in November 2020, replacing the Integrity Red Flags Checklist. The Integrity Questionnaire creates an integrated and seamless process for undertaking IDD; it improves the quality of the data obtained, avoids the duplication of data entry and reduces the time needed to complete the Bank’s integrity process.

Case study 7. Project proceeds in response to Covid-19

The Bank was considering supporting a new client to expand its medical equipment production capacity in response to the Covid-19 crisis. The project was referred to OCCO due to allegations of past anti-competitive conduct and collusion involving the company. Integrity analysis determined that the allegations were historical and small scale, and the company had since reformed its practices. It was agreed to proceed cautiously with the project subject to a close review of the company’s internal controls.
4.3. Capacity-building

Integrity and compliance are central to the EBRD’s efforts to promote transition in the economies where it invests. In recent years, OCCO has expanded the support it offers to clients, promoting compliance and anti-corruption efforts, as well as compliance and integrity norms beyond the EBRD’s projects. These efforts have included supporting the development and implementation of anti-corruption action plans, as well as organising seminars and targeted training sessions on business integrity, AML, CFT and sanctions compliance.

In 2020, the Covid-19 pandemic and resulting public health and travel restrictions disrupted the delivery of such initiatives by limiting the scope for consultant visits and gatherings for training. Most of the 26 ongoing anti-corruption action plans (down from 32 in 2019) did not see substantial progress, as both the Bank and its clients shifted their attention to responding to the crisis. Nonetheless, there were a number of notable successes in OCCO’s anti-corruption efforts. In October 2020, the EBRD and the government of Ukraine signed a memorandum of understanding (MoU) to enhance the corporate governance of state-owned companies, which included a commitment by state roads agency Ukravtodor to implement an anti-corruption action plan. Towards the end of the year, OCCO was also able to launch additional action plans with SOEs and public entities in Egypt, Jordan and Ukraine. OCCO also launched targeted training for a microfinance institution in the West Bank and Gaza, which was conducted remotely.

Case study 8. Project with existing client halted due to shareholder investigation

The Bank was considering a loan to an existing manufacturing client. The project was referred to OCCO due to reports that one of the client’s major shareholders was subject to several criminal investigations in relation to allegations of corruption and fraud. While OCCO deemed there to be no direct connection between the client and the allegations surrounding the shareholder, it was agreed with OCCO that the project would be suspended until there was satisfactory resolution of the criminal investigations.

OCCO’s non-client-specific capacity-building work faced similar constraints, continuing at a slower pace than in previous years. An AML/CFT workshop for financial institutions in the West Bank, due for delivery in March 2020, was disrupted by Covid-19 and subsequently transformed into an online workshop for delivery in early 2021.

Case study 9. Project proceeds despite former ownership by a high-level politically exposed person

The Bank approved a loan to a transport company acquired by a reputable investor from a high-level politically exposed person. Although the Bank was not financing the acquisition directly, there was reputational risk associated with facilitating the monetisation of the politically exposed person’s asset. On balance, the Bank concluded that the transition benefits of developing the asset alongside a reputable investor outweighed this concern.

Case study 10. Project proceeds after due diligence

The Bank was considering a new investment in a privately owned financial institution. The project was referred to OCCO following media allegations that the financial institution was involved in money laundering and receiving favourable government treatment due to family connections between a former board member and a high-level politically exposed person. After conducting enhanced due diligence, no evidence was found of the financial institution’s involvement in money laundering or of any unfair government advantage. Furthermore, the entity has never been subject to an investigation as a result of the media reports. In light of these factors, OCCO did not object to the project proceeding.

See section 6.1 for details of OCCO’s thematic capacity-building work in 2020.
4.4. Monitoring support

In addition to providing advice at the pre-investment stage, OCCO’s Project Integrity team advises and supports the Banking and other teams as needed on investment monitoring and equity exits. On a quarterly basis, the Project Integrity team also reviews the information the Banking teams provide on all projects that have passed final review by OpsCom, in order to monitor compliance with IDD procedures.

Of those projects not previously reviewed by OCCO, 20 per cent are selected for comprehensive assessment to confirm the overall adequacy of the IDD conducted by the Banking teams in question, including the adequacy of the disclosure of integrity issues to decision-making committees and the Board. The review carried out for each period in 2020 produced satisfactory results for the projects monitored. Of the 17 projects that were subject to comprehensive assessment during this period, 6 were found to have minor procedural deficiencies, although in no case would these issues have affected the outcome of the project. The concerns were brought to the attention of the relevant Banking teams.

OCCO prepared a “self-assessment” report to provide assurance that control weaknesses alleged to exist at another MDB were not present at the EBRD, while the Internal Audit Department conducted an independent review.

In focus: Supporting the Bank’s response to Covid-19

To assist with the response to the economic impact of Covid-19 on the economies in which the EBRD invests, the Bank mobilised its resources through the Vital Infrastructure Support Programme (VISP) to provide emergency liquidity support for the operators of national infrastructure who were facing an unexpected financial emergency.

As the EBRD developed innovative new financial products under the VISP umbrella, OCCO supported this effort by rapidly analysing the integrity and corruption risks posed by these products and developing a new framework to quickly assess the corruption risk without compromising the EBRD’s high standards of integrity.

Reviewing the type and number of contracts financed, the procurement controls in place and the overall integrity profile of the entity, OCCO was able to adapt its stringent integrity requirements to the crisis at hand and help the EBRD mitigate its integrity risks through contractual and project-based controls.

Case study 11. Project did not proceed over integrity concerns

The Bank was considering a new investment in an infrastructure project. The project was referred to OCCO following a number of concerns identified in the media about the client and its ultimate beneficial owner. Enhanced due diligence confirmed that the company remained the subject of serious allegations, including bribery of state-owned companies, extensive political connections, favourable treatment and an overall negative public perception in a number of jurisdictions. OCCO determined that it would not be able to support the project and, on this basis, it was abandoned by the Banking team.
5. Investigations and sanctions

The Agreement Establishing the EBRD\textsuperscript{11} expressly states that the Bank must take all necessary measures to ensure that the proceeds of its financing are used for the intended purposes. The Bank’s Integrity Risks Policy mandates that the EBRD take all necessary steps to ensure that Bank staff and Board Officials comply with the highest standards of integrity in performing their work, so as to avoid or minimise any risks arising from or in connection with the Bank’s activities.

Under the EBRD’s Integrity Risks Policy and OCCO’s terms of reference,\textsuperscript{12} the department is responsible for investigating allegations of fraud and corruption in the Bank’s projects, as well as for investigating allegations of staff failure to meet the Bank’s rules and standards of ethical behaviour and integrity. Consequently, OCCO’s Investigations team conducts two distinct types of investigation: (1) of fraud and corruption in relation to Bank-financed activities under the EPPs and (2) of allegations of staff misconduct under the Code of Conduct or the CDRPs.

This chapter describes the work of OCCO’s Investigations team in 2020.

5.1. Investigations under the EPPs

The EBRD’s EPPs are the policy and procedures governing the investigation and sanctioning (if necessary) of parties alleged to have engaged in Prohibited Practices in relation to Bank assets or a Bank project and the sanctioning of parties on whom a third-party finding (as defined by the EPPs) has been imposed. The EPPs define Prohibited Practices as coercion, collusion, corruption, fraud, misuse of EBRD resources or EBRD assets, obstruction and theft.

5.1.1. Settlements under the EPPs

In 2015, the EPPs were revised to permit, among other things, the settlement of cases, including allegations of Prohibited Practices. The introduction of settlements has allowed the Investigations team to contribute to transition by focusing on remediation, rather than debarment alone. Settlement agreements are both an efficient means of resolving matters and of achieving durable and meaningful improvements in companies’ anti-corruption efforts through the imposition of robust anti-corruption action plans as a condition of settlement. Since the 2015 amendments to the EPPs, OCCO has entered into nine formal settlement agreements, with six anti-corruption action plans successfully completed.

In 2020, the department continued to monitor the implementation of the three anti-corruption action plans agreed in previous years. Two of these plans were successfully concluded, with the relevant corporate groups developing and implementing a comprehensive code of business conduct, supported by a compliance officer and a network of managers.

5.1.2. Investigations under the EPPs

OCCO classifies EPP complaints as relating to EBRD public-sector projects or EBRD private-sector operations.

In 2020, OCCO received 43 new complaints alleging the occurrence of a Prohibited Practice in either the EBRD’s public-sector procurement or private-sector operations. It carried forward 20 complaints that had been received prior to this. Of the 63 matters on the Investigations team’s books in 2020, 29 were closed and 34 remained open at the end of the reporting period.

\textsuperscript{11} See EBRD (1990).

\textsuperscript{12} See EBRD (2016a).
In 18 of the closed cases, the matter did not proceed beyond preliminary assessment. In three cases, the investigation was closed following a formal investigation (see Table 4). Three cases were resolved by OCCO issuing a declination notice or a warning to the subject, one case was referred to the national authorities and the remaining four cases were referred to the Bank’s Enforcement Commissioner for a determination on whether enforcement action should be taken under the EPPs.

5.1.3. Public-sector investigations

In 2020, OCCO registered 29 new complaints of a Prohibited Practice in a public-sector procurement exercise and continued to investigate 10 cases opened in an earlier period. Complaints of this kind typically allege malfeasance in connection with public tenders, including corruption, fraud or collusion. Of the 29 new complaints, 7 were reported by other tenderers and 15 were reported by the EBRD client or an individual connected with the EBRD client (including 4 reported to the new EBRD whistleblowing email account, whistleblowing@ebrd.com). The remaining seven were referred directly by the EBRD staff members responsible for monitoring the tenders.

Of the 39 public-sector matters dealt with in 2020, 7 were closed after a preliminary assessment, 1 was referred to a national authority, 4 were closed after a formal investigation and 3 were referred to the Bank’s Enforcement Commissioner for enforcement action. The referrals to the Enforcement Commissioner are detailed in section 5.2. Twenty-four matters remained open as of the end of 2020.

5.1.4. Private-sector investigations

In 2020, OCCO registered 14 new complaints of a Prohibited Practice in the EBRD’s private-sector operations and continued to investigate 10 cases received in a prior period. Complaints like these typically involve allegations of misuse of EBRD funds, often through unauthorised related-party transactions or an EBRD client engaging in illegal activities.

Five of these new matters were reported directly to OCCO by external parties including one through the new whistleblowing email account and the other five were reported by EBRD staff.

Of these 24 private-sector inquiries actioned, 8 were closed following a formal investigation, 3 were closed by a written warning. One matter was referred to the Bank’s Enforcement Commissioner for enforcement action (see section 5.2).
5.2. Matters for the Enforcement Commissioner

In 2020, the Bank’s Enforcement Commissioner was requested to adjudicate on three matters (involving three entities and two individuals) that were initially referred in 2019 and four new matters (involving four entities and one individual). The Enforcement Commissioner considered two further requests that five EBRD counterparties be temporarily suspended from receiving more EBRD business until such time as an investigation had been completed. The Enforcement Commissioner agreed to a CCO request to release one entity from an enforcement action of conditional non-debarment following its satisfactory completion of an anti-corruption action plan.

Of the seven enforcement matters before the Commissioner in 2020, five were concluded and one has yet to be determined. In 2020, the Enforcement Commissioner issued the following determinations after OCCO investigations:

- In 2019, OCCO referred a matter to the Enforcement Commissioner alleging that a consultancy firm in Central Asia had engaged in the Prohibited Practice of fraud in connection with an EBRD project. In 2020, the Enforcement Commissioner determined that this Prohibited Practice had occurred and imposed a debarment period of one year.
- In 2019, OCCO referred to the Enforcement Commissioner two separate cases involving an entity and individual alleged to have engaged in fraud in connection with an EBRD project in Morocco. In 2020, in both cases, the Enforcement Commissioner determined that this Prohibited Practice had occurred and imposed a debarment period of three years.
- In July 2020, OCCO submitted two matters to the Enforcement Commissioner involving alleged fraudulent practices by two tenderers in two separate (public-sector) tenders. The Enforcement Commissioner subsequently determined that, in both cases, the fraudulent practice had occurred and in one case imposed a debarment period of two years and six months and in the other matter a debarment period of three years. As no appeal was submitted, the debarments were published on the EBRD website in 2021 (see case study 12).
- In August 2020, OCCO submitted an allegation of fraudulent practice to the Enforcement Commissioner in relation to a consultancy firm assisting with the Bank’s Advice for Small Businesses programme. The Enforcement Commissioner determined that the conduct had occurred and, after taking into account the fact that the consultancy firm had fully cooperated and been subject to a suspension order, imposed a debarment period of one year, expiring on 31 December 2020 (see case study 14).
- In December 2020, OCCO referred a further case of alleged fraudulent practice involving an entity and an individual that had participated in a public-sector tender. This matter will be decided by the Enforcement Commissioner in 2021.

Table 4. Complaints about Prohibited Practices

<table>
<thead>
<tr>
<th>Complaints reported to OCCO</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New complaints reported to OCCO</td>
<td>46</td>
<td>43</td>
</tr>
<tr>
<td>Complaints carried forward from previous periods</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Complaints closed at preliminary assessment or formal investigation</td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td>Complaints referred to the EBRD’s Enforcement Commissioner</td>
<td>5</td>
<td>4*</td>
</tr>
<tr>
<td>Complaints resulting in other remedial action (for example, referrals to national authorities, cease-and-desist undertakings)</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Complaints carried forward to a new period</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td>Number of individuals and entities subject to enforcement action by the EBRD’s Enforcement Commissioner</td>
<td>3</td>
<td>5*</td>
</tr>
<tr>
<td>OCCO personnel assigned to investigate fraud and corruption complaints</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

* One additional matter involving an entity and an individual is currently before the Enforcement Commissioner for determination.
5.2.2. Cross-debarments

In 2020, OCCO received 84 separate Notices of Debarment Decisions from the co-signatories of the Agreement for the Mutual Enforcement of Debarment Decisions (AMEDD), namely, the AfDB, the ADB, the IADB and the World Bank. The EBRD consequently cross-debarred 28 individuals and 196 entities based on the debarment decisions of these referring institutions.

The EBRD issued two notices under AMEDD, requesting the cross-debarment of two entities and two individuals. These entities and individuals have subsequently been cross-debarred. The list of all debarred entities and individuals is available on ebrd.com:

https://www.ebrd.com/ineligible-entities.html

5.2.3. Complaints of retaliation by Bank clients

In 2020, EBRD received two complaints from representatives of civil society that, as a result of expressing concerns about an EBRD project, they had been subject to retaliation. The EBRD does not tolerate actions by EBRD clients or other project counterparties that amount to retaliation – including threats, intimidation, harassment or violence – against those who voice their opinion on the activities of the EBRD or its clients. The EBRD takes all credible allegations of reprisals seriously and operates within the framework of the new Whistleblowing Policy approved in May 2020.

In January 2019, the EBRD published a statement on how it will manage complaints in relation to retaliation against civil society and project stakeholders (the Retaliation Statement).


The key principle behind these guidelines is that every individual or group has the right to voice criticism or file complaints related to EBRD projects without threats to their safety or fear of retribution. OCCO considers retaliation to be a form of coercion, which is a Prohibited Practice under the EPPs.

Following the publication of the Retaliation Statement, OCCO has received four complaints from individuals and civil-society organisations (two in 2019 and two in 2020) alleging they had been subject to retaliation by Bank clients following complaints made about an EBRD project. The alleged retaliation included threats of violence, intimidation and harassment.

In the two cases that OCCO investigated in 2020, no evidential link could be established that the Bank’s clients were behind or had encouraged this activity. However, pursuant to the Bank’s internal guidelines, the matters were referred to the relevant Banking teams, which then, with the support of OCCO, brought these matters to the client’s attention. The relevant clients were requested to create a safe space where concerns about EBRD operations could be made without fear of recrimination. The EBRD clients responded constructively to these requests and good progress has been made. OCCO will continue to monitor the action the Bank and its clients take in these matters.

13 See ADB, AfDB, EBRD, IADB and World Bank (2010).
14 See EBRD (2019b).
5.2.4. Fraud and corruption case studies

Case study 12. Fraud in public-sector procurement

The EBRD’s public-sector clients are required to undertake their EBRD-funded procurement activities in full compliance with Bank rules. The aim of these rules is to ensure a fair procurement process, with robust controls, resulting in the supply of goods, services or works that best meet the project’s needs. To be eligible to tender, prospective bidders are usually required to reference similar, completed projects as proof that they have the ability and experience to deliver.

In 2019 and 2020, OCCO initiated investigations against three companies – Company A, Company B, and Company C – following the receipt of allegations that they had submitted false supporting documents within their bids for contracts for the supply of specialised vehicles for a solid-waste management service rehabilitation project.

The investigations determined that the companies had included these false documents in an attempt to mislead the tender evaluation committee on their eligibility. The EBRD Enforcement Commissioner imposed a two-and-a-half-year debarment on Company A, as it acknowledged it had engaged in fraud, and a three-year debarment on Company B, which did not participate in the enforcement proceedings. OCCO proposed a three-year debarment for Company C and this matter is currently being reviewed by the Enforcement Commissioner.

Example of partnering to fight corruption in Ukraine

In 2020, OCCO raised concerns that EBRD projects with Ukrainian SOEs were susceptible to corruption because the SOEs had not implemented many of the anti-corruption and integrity guidelines recommended by the OECD. OCCO further noted that several recent investigations by the National Anti-Corruption Bureau of Ukraine involved corruption associated with EBRD projects with SOEs in the country.

To address this issue, the EBRD worked with the government of Ukraine to achieve improvements in Ukraine SOE governance. In October 2020, the EBRD and the government of Ukraine signed an MoU, committing to a joint initiative to improve the corporate governance of and to implement robust anti-corruption and procurement controls in SOEs.

The Ukrainian State Road Agency, Ukravtodor, was selected for the first pilot programme for action under this MoU.

In December 2020, the EBRD signed a loan agreement for €450 million with the government of Ukraine for the rehabilitation of sections of the M05 Kyiv-Odesa road and the construction of a new northern bypass around the city of Lviv. As a condition of this funding and under the auspices of the MoU, the government has agreed to enhance Ukravtodor’s procurement system and to strengthen its internal controls, policies and procedures to prevent fraud and corruption.

The EIB is also collaborating with the EBRD and Ukravtodor to support the agency’s anti-corruption and procurement reforms.
5.3. Investigations under the CDRPs and the Codes of Conduct

Reports of suspected misconduct may be received from any source, inside or outside the EBRD, including anonymous sources. OCCO also receives complaints from the EBRD’s MD HROD, referred under the Bank’s RWPs, which set out processes for dealing with improper interpersonal behaviour by Bank staff.

Allegations of misconduct are investigated in accordance with the CDRPs, which clearly distinguish the role of the CCO as factfinder on complaints of misconduct and the role of the MD HROD as decision-maker on any disciplinary action. Further action, such as referral to law-enforcement agencies, may be taken on a case-by-case basis, as appropriate.

Reports of suspected misconduct against the Bank President, or any of the Vice Presidents, are dealt with in accordance with the Code of Conduct for EBRD Personnel. Similarly, an allegation of suspected misconduct by a Board Official is dealt with in accordance with the Code of Conduct for Officials of the Board of Directors of the EBRD.

All prima facie reliable complaints of staff misconduct received under the CDRPs are subject to an initial inquiry, in which OCCO undertakes a number of steps. These may include obtaining additional information from the complainant, gathering evidence (including data from the Bank’s IT systems) and interviewing possible witnesses or others who may be in a position to provide relevant information.

Following an initial inquiry, if the Inquiry Officer determines that the conduct would amount to misconduct under the CDRPs and that the matter should be properly investigated – taking into account the reliability of the information received, the gravity of the suspected misconduct and the availability of relevant evidence – it can then progress to a formal investigation. During the formal investigation, individual(s) and/or subject(s) of the complaint are given an opportunity to respond to the allegation(s).

Case study 13. Assistance for the EBRD’s Advice for Small Businesses programme

In 2020, the EBRD Enforcement Commissioner issued a decision debarring a consultancy company in Mongolia for a fraudulent practice in connection with the Advice for Small Businesses programme, which is partly financed by EBRD grants.

Under the programme, the EBRD and a small business agreed to share the cost of a consultancy project required by the small business. OCCO received allegations that a consultancy company took advantage of this cost-sharing arrangement by colluding with the small business to inflate the cost of its consultancy services. Because of this scheme, the EBRD bore the entire cost of the consultancy rather than the agreed percentage.

Upon investigation, OCCO found that the consultant had operated this scheme with various small businesses participating in the Advice for Small Businesses programme and immediately suspended the consultancy. After the conclusion of its investigation, OCCO recommended that the consultancy be debarred, and the Enforcement Commissioner agreed.
There are three possible outcomes of the investigation process:

(i) no further action, based on a lack of reliability and/or an insufficiently serious allegation
(ii) a recommendation to the MD HROD for the provision of a non-disciplinary written warning, or
(iii) a recommendation to the MD HROD for formal disciplinary action under Part III of the CDRPs.

In 2020, OCCO accepted 26 new complaints of suspected misconduct. It continued to investigate a further two matters from 2019. Of the total 28 complaints, 24 were received under the CDRPs, while 4 were referred by the MD HROD under the RWPs.

Figure 3. Staff misconduct cases

The location of the subjects of the 26 new complaints in 2020 was fairly evenly split between EBRD Headquarters and the Resident Offices – 14 and 12, respectively – with the complaints spanning a wide range of alleged misconduct.

A summary of the outcomes of matters received by OCCO under the CDRPs in 2020 can be found in section 5.3.1.

Table 5. Complaints received in 2020, misconduct (including two carried forward from 2019)

<table>
<thead>
<tr>
<th>Type of misconduct*</th>
<th>Headquarters</th>
<th>RO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1. General standard of conduct</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Rule 2(d). Harassment and bullying</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Rule 3. Conflicts of interest</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Rule 4. Outside activities</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Rule 5. Political activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 6. Employment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 7. Gifts and hospitality</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 8. Financial interests</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 9. Disclosure of financial interests</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 10. Confidentiality</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rule 11. Misuse of EBRD assets</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Rule 12. Retaliation</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Rule 13. Privileges and immunities</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
| **Total** | **24** | **29** **

* In 10 matters, the investigation involved two categories of misconduct.
** In 15 matters, the investigation involved two categories of misconduct.

5.3.1. Summary of investigations into allegations of staff misconduct

Of the 26 new matters in 2020 and the 2 carried forward from 2019 (for a total of 28), 19 cases were closed following an initial inquiry and 9 advanced to formal investigation (down from 14 in 2019). Of the nine cases subject to formal investigation, five were referred to the MD HROD for consideration of disciplinary action, two saw the staff members in question resign prior to the completion of the investigative process and one remained open at the end of the reporting period (see Table 6).
The 27 investigations completed in 2020 are summarised below:

- Four separate formal investigations into breaches of Rule 1 of the Staff Code of Conduct (General Standard of Conduct) resulted in three recommendations for disciplinary action under Part III of the CDRPs. Disciplinary measures were imposed in two of these matters, which included the termination of one staff member’s employment, while a third staff member resigned from the Bank during the disciplinary process. The fourth matter was found to be unfounded.

- Ten separate initial inquiries into allegations of breaches of Rule 1 were closed, with no further action taken, as it was determined that the allegations were not sufficiently reliable to warrant further investigation.

- One formal investigation into a breach of Rule 3 of the Staff Code of Conduct (conflicts of interest) resulted in the recommendation of a written warning.

- Five further initial inquiries into allegations of breaches of Rule 3 were closed with no further action taken, as it was determined that the allegations were not sufficiently reliable to warrant further investigation.

- Three separate formal investigations into allegations of breaches of Rule 2(d) (harassment and bullying) resulted in one recommendation of disciplinary action under Part III of the CDRPs. One matter remains open, while in the third matter, the staff member concerned resigned from the Bank during the investigative process.

- A formal investigation into a breach of Rule 13 of the staff Code of Conduct (perceived abuse of privileges and immunities) resulted in the recommendation of disciplinary action under Part III of the CDRPs.

### 5.3.2. Trends in misconduct investigations

#### Bullying and harassment

In 2020, OCCO handled 4 referrals under the Bank’s RWPs — a substantial decrease from the 10 referrals received in 2019. This decrease is believed to be a direct result of the remote working arrangements during the Covid-19 pandemic, but is also being considered in the context of the ongoing RWP revision process.

#### Conflicts of interest

OCCO once again noted a significant increase in the number of complaints from staff members in Resident Offices in relation to alleged conflicts of interest (seven in 2020, up from three in 2019). This is specifically attributed to the outreach and training OCCO has provided to Resident Office staff, particularly with regard to their obligations under the Code of Conduct.

#### Confidentiality

Following a sharp increase in reports of breaches of confidentiality in 2018, including a number of complaints about leaks of information, OCCO made a number of recommendations with a view to boosting IT controls. As a result, in 2020, OCCO received no reports of breaches of confidentiality and no reports of breaches involving abuse of the Bank’s IT systems.

### Table 6. Misconduct complaints 2019-20 – a comparative analysis

<table>
<thead>
<tr>
<th>Misconduct complaints</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints of staff misconduct investigated by OCCO (non-RWP)</td>
<td>43</td>
<td>24*</td>
</tr>
<tr>
<td>RWP referrals from the MD HROD</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total complaints investigated</strong></td>
<td><strong>27</strong>*</td>
<td><strong>28</strong>*</td>
</tr>
<tr>
<td>Complaints closed with no finding of misconduct</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Staff who left the Bank during the course of an investigation</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Referred to the MD HROD for a written warning</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Referred to the MD HROD for disciplinary action</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Carried forward to new period</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>OCCO personnel assigned to assist with staff misconduct matters</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

* Includes matters carried over from the previous year.
5.3.3. Complaints of retaliatory conduct by Bank personnel

In 2020, OCCO received two complaints in relation to retaliatory acts by Bank personnel against individuals who had carried out protected activities (whistleblowers). Both these complaints were processed in accordance with the Bank’s new Whistleblowing Policy (see section 2.4). Following appropriate reviews, conducted in accordance with the CDRPs, OCCO determined that the purported acts were not acts of retaliation as defined in the Whistleblower Policy and CDRPs. One of these matters is highlighted in case study 15.

5.3.4. Resident Office inspections

The Resident Office inspection programme was established in 2017. Inspections are conducted by OCCO twice a year, in close cooperation with the EBRD’s Vice President of Banking, in order to review and assess compliance with the EBRD’s internal control procedures. Due to travel restrictions, the Resident Office inspections programme was suspended for the duration of 2020. However, in consultation with the EBRD’s Client Services Group, the Investigations team is exploring remote solutions in order to resume the initiative in 2021.

5.3.5. Staff misconduct case studies

The EBRD rightly expects that, in the course of performing their duties, its employees observe the highest standards of integrity and honesty, consistent with the policies and practices that govern their employment at the Bank. These are set out in the EBRD Staff Handbook, which includes, among other things, the Staff Code of Conduct and the CDRPs. The following case studies outline the actions of Bank employees who, aware of the provisions of the Staff Code of Conduct and Staff Handbook, acted in breach of those provisions.

Case study 14. Code of Conduct Rule 1 (General Standard of Conduct)

As a regular employee of the EBRD, Mr B was entitled to claim for the reimbursement of legitimate medical expenses under the Bank’s medical plan. Following the submission of several cumulatively high-value claims by Mr B, the Bank’s health insurer undertook a routine post-settlement review of these and other similar claims. As part of their review, which covered a two-year period, the health insurer contacted a number of medical service providers, establishing that multiple invoices submitted by Mr B for reimbursement were, in fact, fraudulent and the medical services that they related to had not been provided to Mr B or to his dependents.

In accordance with the terms and conditions of the Bank’s medical plan, the matter was reported to OCCO. During the formal investigation — and having gathered additional evidence — OCCO interviewed Mr B who admitted creating and submitting entirely false invoices to the health insurer, seeking reimbursement to which he was not entitled, this being a serious breach of Rule 1 of the Code of Conduct.

The OCCO formal investigation resulted in a recommendation to the MD HROD for disciplinary action under Part III of the CDRPs, resulting in Mr B’s separation from the Bank and the overpaid funds being recovered by the health insurer.

Case study 15. Code of Conduct Rule 2(d) (abuse of authority)

The MD HROD referred a complaint of suspected misconduct to OCCO under the RWPs. The complainant alleged retaliation in relation to a recommendation, made by Mr Y, the complainant’s line manager, that the complainant’s contract of employment be terminated.

OCCO’s formal investigation established that the recommendation made by Mr Y was not an act of retaliation. However, the evidence did support a finding that Mr Y’s conduct did amount to an abuse of authority.

The formal investigation resulted in a recommendation to the MD HROD for disciplinary action under Part III of the CDRPs, resulting in Mr Y’s separation from the Bank and the overpaid funds being recovered by the health insurer.
6. International cooperation

This chapter summarises a selection of OCCO’s international cooperation efforts in 2020.

OCCO engages in international cooperation on integrity and anti-corruption issues in order to:

• work effectively with other international institutions in the common fight against corruption in emerging and transition economies
• participate in the development and dissemination of best practice
• keep up to date with and support the efforts of relevant international and industry organisations.

In the field of anti-corruption, OCCO maintains close relationships with governments, other MDBs, intergovernmental initiatives, civil-society representatives and the private sector.

For instance, in 2020, OCCO initiated bi-weekly calls between the heads of compliance at key MDBs, including the AfDB, the ADB, the EIB, the IADB and the IFC. The objective of these calls was to enhance coordination on compliance issues, especially for co-financed projects, whether under the institutions’ Covid-19 facilities or other projects. Particular focus was placed on identifying new compliance risks emerging as a result of the Covid-19 pandemic and the steps that could be taken to mitigate those risks.

In July 2020, OCCO participated in the annual meeting of the Ethics Network for Multilateral Organisations. This included an in-depth presentation and discussion of the Bank’s new Whistleblowing Policy.

In October 2020, OCCO participated at the annual meeting of Chief Compliance Officers of the European Multilateral Development Banks (ECCO). Presentations included the EBRD’s Whistleblowing Policy.

OCCO also maintains close relationships with other MDBs in the field of domiciliation, including the AfDB, ADB, EIB, IADB and IFC. OCCO presented its revised approach to domiciliation at the ECCO meeting. In addition, OCCO actively participates in regular tax calls between MDBs to exchange information on approaches to domiciliation and responses to tax developments. OCCO is increasingly cooperating with other MDBs in the context of domiciliation due diligence for projects that are co-financed. OCCO staff published an article on the Bank’s Domiciliation Policy in the Gazette of the Association of Lawyers in Intergovernmental Finance and Development Organisations.

OCCO continued to participate in meetings of the OECD. In February 2020, representatives from OCCO took part in the European Union-OECD Regional Seminar, which analysed the importance of fighting corruption and promoting integrity to attract and retain investment in the Mediterranean region.

Other notable meetings at which representatives of OCCO presented on the theme of anti-corruption and proactive compliance in 2020 included:

• the 9th Annual Anti-Bribery and Corruption Forum, held virtually
• the ABC Minds Anti-Bribery and Corruption Conference, held virtually
• the 8th C5 Conference on Anti-Corruption, held virtually
• the Fifth International Debarment Colloquium organised by the World Bank on private-sector debarments, held virtually.

In Focus: International Anti-Corruption Conference

In 2020, OCCO organised and participated in a panel at the 19th International Anti-Corruption Conference featuring the heads of the integrity units of the MDBs.

The panel, entitled “Eyes Wide Open: Strengthening the MDBs’ fight against corruption”, presented a hypothetical case study and led the audience through integrity issues that could arise over the lifecycle of a typical MDB-financed project.

The panel addressed issues including pre-transaction IDD, contractual clauses to mitigate fraud and corruption risk, how MDBs address retaliation against civil society, and MDB investigations and sanctions. Audience members participated via an online platform on their mobile devices by responding to questions about the hypothetical case.
7. Outlook for 2021

In 2021, OCCO will continue its work on the activities summarised in this report, but with a particular focus on supporting the EBRD’s role in the global recovery from the Covid-19 pandemic. OCCO will continue to maintain the Bank’s high standards on integrity and anti-corruption, both within the Bank and in relation to its projects and operations.

Priorities will include:

- **Codes of Conduct review:** OCCO will conclude a review of the investigative provisions of the Code of Conduct for EBRD Personnel and the Code of Conduct for Officials of the Board of Directors of the EBRD.

- **Whistleblowing framework:** OCCO will continue to embed the Whistleblowing Policy through communication and training to increase the focus on “speaking up”.

- **Training:** OCCO will continue to work to increase the number of training courses that can be completed online and/or delivered remotely, both for existing courses and for additional training requirements.

- **Domiciliation:** OCCO will finalise the upgrade of the Bank’s procedures and toolkit for domiciliation due diligence and increase staff training.

- **Compliance controls monitoring:** OCCO intends to review the Bank’s compliance controls at the project monitoring stage, with particular focus on controls related to AML/CFT and post-signing sanctions, as well as training on compliance risks in the portfolio.

- **RWPs and CDRPs:** OCCO, Human Resources and Organisational Development, and the Office of the General Counsel will continue to work together on a joint review of procedures to ensure a harassment-free and respectful workplace.

- **EPPs:** A review will commence to update the Bank’s EPPs. This will include incorporating the revised definition of “obstructive practice” as agreed by the investigative offices of the EBRD, the EIB, the ADB, the AfDB and the IADB.

- **Convergence of IDD work with other MDBs.** The EBRD will continue to be part of an initiative to further increase cooperation between MDBs, especially in respect of projects that are co-financed. While each MDB retains its decision-making sovereignty, the MDB community is seeking to reduce the potential for duplication of effort. This initiative is particularly important in light of the common challenges the sector faces in relation to the recovery from Covid-19.

- **Knowledge management:** OCCO will continue to strengthen its knowledge-management function throughout the department, aiming to streamline processes and enhance decision-making, with a focus on consistency of outcomes.

- **Smart Working:** OCCO will continue to implement its Smart Working initiative, which is designed to ensure that OCCO’s processes are streamlined and simplified, enabling it to work more effectively.
References


EBRD (2016a), The Bank’s Integrity Risks Policy and Terms of Reference for the Office of the Chief Compliance Officer, London.


EBRD (2018c), Note on EBRD’s Enforcement Processes, including Settlement Agreements, London.

EBRD (2019a), Environmental and Social Policy, London.

EBRD (2019b), Retaliation Against Civil Society and Project Stakeholders, London.

EBRD (2019c), Domiciliation Policy, London.

EBRD (2020a), Whistleblowing Policy, London.


## Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAN</td>
<td>Anti-Corruption Network</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>AMEDD</td>
<td>Agreement for the Mutual Enforcement of Debarment Decisions</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-money laundering</td>
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<tr>
<td>BEPS</td>
<td>Base erosion and profit shifting</td>
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<tr>
<td>CCO</td>
<td>Chief Compliance Officer</td>
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<tr>
<td>CDRPs</td>
<td>Conduct and Disciplinary Rules and Procedures</td>
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<tr>
<td>CFT</td>
<td>Countering the financing of terrorism</td>
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<tr>
<td>CoP</td>
<td>Community of Practice</td>
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<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<tr>
<td>ECCO</td>
<td>Chief Compliance Officers of the European Multilateral Development Banks</td>
</tr>
<tr>
<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>EPC</td>
<td>Engineering, procurement, construction</td>
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<tr>
<td>EPPs</td>
<td>Enforcement Policy and Procedures</td>
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<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
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<tr>
<td>FSB</td>
<td>Financial Stability Board</td>
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<tr>
<td>HROD</td>
<td>Human Resources and Organisational Development</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IDD</td>
<td>Integrity Due Diligence</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IFI</td>
<td>International financial institution</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>MDB</td>
<td>Multilateral development bank</td>
</tr>
<tr>
<td>MD HROD</td>
<td>Managing Director of Human Resources and Organisational Development</td>
</tr>
<tr>
<td>MNPI</td>
<td>Material non-public information</td>
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<tr>
<td>MoU</td>
<td>Memorandum of understanding</td>
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<tr>
<td>ND</td>
<td>Nominee Director</td>
</tr>
<tr>
<td>OCCO</td>
<td>Office of the Chief Compliance Officer</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>OpsCom</td>
<td>Operations Committee</td>
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<tr>
<td>RO</td>
<td>Resident Office</td>
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<tr>
<td>RWPs</td>
<td>Harassment-Free and Respectful Workplace Procedures</td>
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<tr>
<td>SOE</td>
<td>State-owned enterprise</td>
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<tr>
<td>VISP</td>
<td>Vital Infrastructure Support Programme</td>
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</tbody>
</table>
Notes
Questions regarding this report should be addressed to:

The Office of the Chief Compliance Officer (OCCO)
European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
United Kingdom
Telephone: +44 (0)20 7338 6000
Email: compliance@ebrd.com

How to report fraud, corruption and misconduct to the EBRD

Complaints, including reports of suspected fraud, corruption and misconduct, can be submitted to OCCO by email, telephone or in writing at the above address.

Complaints can also be submitted:

- by emailing whistleblowing@ebrd.com, or
- via the online form available at:

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