

OBJECTIVE:

To support and facilitate prevention of corrupt practices affecting the business sector at the regional and municipal levels in the Russian Federation

PROTECTION OF THE RIGHTS
OF ENTREPRENEURS IN THE RUSSIAN
FEDERATION FROM CORRUPT
PRACTICES AT THE MUNICIPAL LEVEL

PRECOP II



DURATION

29 September 2016 - 31 December 2019

FUNDING

2,000,000 Euro (secured funding 1,643,122.32 Euro)
Voluntary contributions provided by the United Kingdom,
Luxembourg, Norway and Ireland

www.coe.int/precop-ii





PROJECT PURPOSE:

- To strengthen corruption prevention measures through legislative or policy recommendations
 that address corrupt practices which affect businesses at the regional and municipal levels in the
 Russian Federation; and
- To strengthen the institution of the Business Ombudspersons at regional and federal levels taking into account international standards and good practices.



MAIN PARTNERS & BENFICIARIES

The main beneficiary institutions of PRECOP II are the Office of the Federal Business Ombudsperson in the Russian Federation, the Offices of Regional Business Ombudspersons, Public Ombudspersons, Business and Lawyers' Associations, regional and municipal authorities, Chambers of Commerce and Private Sector Initiatives in the regions participating in the project activities (pilot regions).

LONG-TERM OUTREACH

Society at large, businesses and other stakeholders dealing with the federal, regional and municipal authorities.

OTHER PARTNERS AND STAKEHOLDERS

- Ministry of Economic Development
- Ministry of Labour and Social Protection
- Analytical Center for the Government of the Russian Federation
- · General Prosecutor's Office
- Ministry of Foreign Affairs
- Centre for Public Procedures «Business Against Corruption»
- Chamber of Commerce and Industry
- All-Russian Public Organisation "Business Russia" ("Delovaya Rossiya")
- All-Russian Non-Governmental Organization of Small and Medium Entrepreneurship "OPORA Russia"



PRECOP II directly addresses corruption risks in 15 pilot regions. However, the project disseminates its findings and recommendations to non-pilot regions who participated in project activities, covering in total **62 regions** of the Russian Federation. Through its activities the project

builds an effective exchange platform for regional business ombudspersons and representatives of business community and contributes to further strengthening of the institute of business ombudspersons in the Russian Federation.





PRECOP II PILOT REGIONS:

- 1. Republic of Bashkortostan
- 2. Tver region
- 3. Republic of Karelia
- 4. Yaroslavl region
- 5. Tyumen region
- 6. Krasnodar Krai
- 7. Arkhangelsk region
- 8. Irkutsk region
- 9. Primorsky Krai
- 10. Rostov region
- 11. Kursk region
- 12. Smolensk region
- 13. Stavropol Krai
- 14. Republic of Tatarstan
- 15. Udmurt Republic

Project's ACTIONS focus on the following key issues at regional and municipal levels:



All project activities aim to strengthen the expertise of the institution of the Federal Business Ombudsperson and the Regional Business Ombudspersons, and thus increase its capacity and efficiency.

RESULTS

The project activities included:

- > Research on corruption typologies affecting the business sector;
- ➤ Analysis of public procurement practices and identification of potential corruption risks complemented by capacity building for municipal authorities dealing with procurement in order to strengthen their understanding and skills of detecting and countering corruption in Russian municipal procurement;
- > Study on the impact of inspections on business processes and analysis of legislation regulating inspections with focus on risk-based approach accompanied with relevant trainings for inspection authorities and business;
- ➤ Analysis of corruption factors and risks in public services provided to business;
- > Review of legal and institutional framework regulating conflict of interest; and
- ➤ Developing models of a mechanism for confidential reporting of corruption by entrepreneurs via the institution of the Business Ombudspersons.

Outputs & outcomes:

- ➤ 13 ADVISORY TECHNICAL PAPERS, including 3 TRAINING MANUALS have been developed based on information collected from the project pilot regions and feedback received from participants of regional workshops and trainings. The goal of these exercises is to ensure that legal framework and institutional capacities of main stakeholders are further strengthened in line with CoE and other international standards and good practices.
- ➤ The Technical Papers provide specific recommendations to address identified shortcomings tailored to country context and on-going reform processes. These recommendations have been applied by the ombudspersons' offices, key ministries and other authorities at different levels, who are involved in the project as stakeholders and beneficiaries. Certain recommendations have been included in the ANNUAL REPORT 2018 of the Federal Business Ombudsperson to the President of the Russian Federation.
- ➤ The PRECOP II Technical Papers are used as <u>TEACHING MATERIALS</u> by a number of Russian universities in courses on corruption prevention and protection of the rights of entrepreneurs.

The PRECOP RF and PRECOP II projects are unique as they have made it possible to study in detail the corruption risks that business faces on the Russian market. The projects became a real breakthrough in terms of expert research in this area. The Technical Papers developed within the framework of the projects, contribute to getting a clear understanding of how to prevent corruption risks, how to develop anti-corruption policies in state agencies that apply law enforcement measures with regard to business, and how to build anti-corruption compliance systems in companies operating on the Russian market. The Technical Papers, among other advantages, present an excellent educational material for students who plan to pursue a career with either business or state authorities who regulate it"

– Ms Dina Krylova, Head of the Interdisciplinary Laboratory for

Anti-Corruption Policy, Higher School of Economics





The PRECOP II project is an important mechanism for strengthening and developing the capacity of the institution of the Business Ombudspersons in the fight against corrupt practices in the Russian Federation. Undoubtedly, the project has proved its effectiveness and relevance. The value of the project lies not only in identifying typical corrupt practices in various fields of activity, but also in developing a unified concept for the fight against corruption and specific tools for preventing corruption"- Mr Oleg Dereza, Business Ombudsperson in the Rostov Region

The project activities present a unique opportunity for analyzing and making use of international practices in the field of protecting the rights of entrepreneurs from corrupt practices, and for creating universal approaches for regional business ombudspersons to prevent and suppress corruption at the regional and municipal levels. Moreover, the project contributes to changing mentality and to the adoption of shared values by the inspection authorities, regional and municipal authorities and the business ombudspersons with regard to prioritizing the development and support of safe and fair business in Russia" Ms Olga Gorelova, Business Ombudsperson in the Arkhangelsk region





The PRECOP II project has created a very successful communication platform for a productive dialogue among institutions aimed at protecting business. In the world and in Russia in particular, cases of providing successful solutions to the problems of entrepreneurs have already been developed, so we only need to study them and put them into practice in our regions. In addition, within the framework of the PRECOP II project, we get to meet our colleagues, to interact with them and to exchange experiences, which also have a positive impact on the work of the business ombudspersons throughout the country. This work needs to be continued. I am confident that together we will create the necessary business protection infrastructure and help SMEs grow and make a significant contribution to the Russian economy"— Mr Denis Vodopyanov, Business Ombudsperson in the Kursk region

Participation in the PRECOP II project allows acquiring knowledge of international experience, best practices and standards in the field of anti-corruption. Following my participation in the project, I arranged anti-corruption proofing of a number of municipal regulatory acts in my region, as a result of which significant amendments were made. Participants of the PRECOP II project develop an anti-corruption mindset and raise awareness on anti-corruption behavior in their respective regions among the business community and authorities. I am sure that the joint work within the project will strengthen international cooperation in the field of fight against corruption and introduce international anti-corruption standards in Russia"— Ms Elena Gnetova, Business Ombudsperson in the Republic of Karelia





The PRECOP II project helps business and government to understand each other better and changes the climate of economic relations in the Russian regions. We convey on the acquired knowledge not only to entrepreneurs, but also to university students, thus promoting anti-corruption behavior— Mr Anton Stamplevskii, Business Ombudsperson of the Tver Region

Over the years, the PRECOP II project has proven its effectiveness. An enormous amount of work has been done in the area of protecting the rights of entrepreneurs, including developing suggestions to amend the current legislation. The project has brought together representatives of state authorities of all levels and business and involved international experts, whose expertise played a substantial role in the exchange. The quality of the analysis, the depth of the issues raised within the PRECOP II project allowed us to raise professional level of our employee and pro bono experts"— Mr Rafail Gibadullin, Business Ombudsperson in the Republic of Bashkortostan





I can say with confidence that the activities of the PRECOP II project are extremely useful, as they are aimed at increasing the level of knowledge of the participants, take into account recent changes in the Russian legislation and are based on international standards and best practices of other countries"— Ms Larisa Nevidaylo, Business Ombudsperson in the Tyumen region

I would like to note that in recent years PRECOP II project has become more inclusive. At earlier stages it was focused primarily on strengthening the institution of Business Ombudspersons, but now more and more representatives of state authorities and business become involved in the discussions of corrupt practices and provide largely positive feedback"

- Mr Alfir Bakirov, Business Ombudsperson in the Yaroslavl region





The study of international and Russian practices within the framework of the PRECOP II project in the Smolensk region allowed us to develop and offer recommendations to regional and local authorities and the business community on conducting state and municipal inspections at enterprises"— Mr Alexey Efremenkov, Business Ombudsperson in the Smolensk Region

The PRECOP II project is distinguished by its focus on practice and the usefulness of the Technical Papers prepared by the experts. The practice of conducting trainings with the participation of representatives of inspection authorities is especially effective, as it contributes to the introduction of the risk-based approach in conducting inspection activities"— Ms Marina Shemilina, Business Ombudsperson in the Primorsky Krai





The PRECOP II project, implemented jointly with the Council of Europe, allowed us to consider the main problematic issues related to corrupt practices that entrepreneurs face when interacting with authorities at different levels. We effectively use project findings and recommendations when discussing proposals to amend existing legislation as part of improving business and investment climate, both at the regional and federal levels"— Mr Igor Yakimchik, Business Ombudsperson in the Krasnodar Krai

INPUTS

The project organised <u>54 activities</u> (i.e. workshops, trainings, Steering Committee meetings, working group sessions) involving <u>2300 participants</u> from <u>62 regions</u> of the Russian Federation, including <u>54 Regional Business Ombudspersons</u>, as well as high-level representatives of executive and legislative bodies of the project pilot regions.



Workshops on procurement and reporting corruption, Vladivostok, 8-9 October 2018



Training on mechanism for reporting corruption, Rostov-on-Don, 17-18 September 2019



Training on risk-based approach to inspections, Tyumen, 18-19 April 2019



Training on procurement, Ufa, 27-28 February 2019

COUNCIL OF EUROPE IN THE RUSSIAN FEDERATION



RUSSIAN FEDERATION AND COUNCIL OF EUROPE

The Russian Federation joined the Council of Europe on 28 February 1996 and became the 39th member state of the organisation.

Russian Federation signed and ratified more than 60 treaties, including the Convention for the Protection of Human Rights and Fundamental Freedoms, European Cultural Convention, European Convention on the Suppression of Terrorism, Convention on the Transfer of Sentenced Persons, European Charter of Local Self-Government and others.

COUNCIL OF EUROPE PROGRAMME OFFICE IN THE RUSSIAN FEDERATION

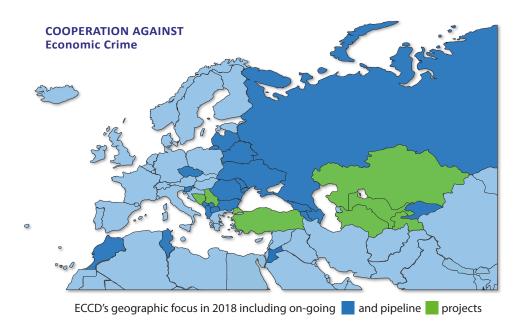
The Council of Europe Programme Office in the Russian Federation officially started its activities on 29 October 2013. Its status is based on the Decree of the Government of the Russian Federation of 14 June 2011.

The Programme Office implements programmes of co-operation between the Russian Federation and the Council of Europe on the basis of the document "Priorities for co-operation with the Russian Federation in 2019-2021".



ECONOMIC CRIME AND COOPERATION DIVISION

The **Economic Crime and Cooperation Division (ECCD)** is part of the Action against Crime Department at the Directorate of Action against Crime - Information Society in the Directorate General of Human Rights and Rule of Law – DG I. It is responsible for the Council of Europe's cooperation and assistance related activities and reforms concerning: good governance, corruption, ethics, conflict of interests, money laundering, asset recovery, terrorist financing, organised crime and mutual legal assistance in criminal matters as well as all related criminal law and judicial reforms pertaining to such areas. The Economic Crime and Cooperation Division's activities comprise a wide variety of intervention tools, methodologies and guidance on implementation of standards and recommendations by involving in house knowledge and expertise while utilising a broad Council of Europe expert database.



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The Council of Europe is the continent's leading human rights organisation. It comprises 47 member states, 28 of which are members of the European Union. All Council of Europe member states have signed up to the European Convention on Human Rights, a treaty designed to protect human rights, democracy and the rule of law. The European Court of Human Rights oversees the implementation of the Convention in the member states.

COUNCIL OF EUROPE

