

AN HONEST STATE

THE GOVERNMENT OF THE REPUBLIC'S ANTI-CORRUPTION STRATEGY

Introduction

The “Honest State” strategy proposes a number of specific steps aimed at reducing the risk of corruption in Estonia.

The state is only able to meet its obligations to its citizens successfully if state officials act honestly, without self-interest and in strict adherence to law. Corruption undermines the trust felt by citizens in the state and sends out a message that the law only applies selectively.

The level of corruption in Estonia is not particularly high on the world scale and the courts do not have to deal with many cases of corruption. However, such cases do arise from time to time and in recent years a number of high-ranking state officials, including judges and ministerial secretaries general, have also been convicted.

The fight against corruption has been conducted systematically and effectively in state authorities where the risk of corruption is the greatest, primarily the police and the customs authorities. The reduction in the risk of corruption has been facilitated by the introduction of strict controls and the reorganisation of certain procedures, such as the ending of cash transactions.

At the same time, the way in which the fight against corruption is currently organised is clearly insufficient at city and rural municipality government level as the risk of corruption in local authorities is manifold and undoubtedly high. It is here that decisions on land-related questions are taken, various permits are issued, tenders are announced and information of critical importance from the local point of view is held. It is also important to note that the decisions are usually taken by a very small group of officials. This strategy sets out a string of measures to rein in corruption at local level, including the setting up of regional anti-corruption task forces under the leadership of a prosecutor.

In many ways, corruption is a moral issue. The process of achieving a corruption-free way of thinking is a long-term one. One of the essential foundations of an honest state is having officials who recognise both their responsibility and the importance of their position and whose convictions obviate the risk of corruption. For precisely that reason, steps aimed at improving morals have an essential place in this strategy.

The most important steps resulting from the strategy are set out below.

1). Prevention of corruption:

- **The auditing of local governments will be strengthened** to ensure systematic and independent controls (extension of the scope of private audits, as well as audits by the State Audit Office). The law will be amended to extend the competence of the State Audit Office in auditing local governments.
- **Declarations of economic interests will become fully electronic** to make it easier to verify the information provided.
- **A National Ethics Council will be set up and the relative importance placed on codes of ethics and ethics training will be increased** in order to encourage officials to feel a conscience-based opposition to corruption and for there to be a general harmonisation of the values they hold.
- **The perceptions held by society regarding corruption will be harmonised**, i.e. material will be published and information campaigns mounted to explain the differences between acceptable and unacceptable behaviour.

2). Proceedings regarding corruption offences

- **A network consisting of at least 50 specialised preliminary investigators and prosecutors will be set up under the district prosecutors** to carry out systematic investigations of possible cases of corruption.
- In order to obtain the necessary information to detect cases of corruption:
 - **the obligation to report corruption will be increased in scope;**
 - **people reporting corruption will be offered exemption from criminal liability** in order to break down the system of mutual protection which often exists between the participants in schemes involving corruption;
 - a special **anonymous hotline** will be set up for people to report cases of corruption.

1. STRATEGIC OBJECTIVES

The objective of the anti-corruption strategy is to limit opportunities for corruption to take place and to increase intolerance of corruption. As the strategy is implemented, the probability will increase that a person who has committed an act of corruption will be punished for it.

The principal factor to be used in assessing changes in the situation regarding corruption is the number of people who have come into direct contact with corruption. The aim is that the number of people who have come across corruption during the preceding year will be less following the implementation of the strategy than it was before.

2. PLATFORM FOR THE STRATEGY

The following facts have been taken as the basis for the preparation of this strategy:

- According to Transparency International's Corruption Perceptions Index, the level of corruption in Estonia is lower than in most of the other EU Accession Countries. On the other hand, the level of corruption in Estonia is significantly higher than the average level in the current EU Member States. In fact, the situation in Estonia has somewhat deteriorated when compared to previous years and our ranking in the Index has fallen a little.
- The situation regarding corruption in Estonia is not a source of satisfaction and the state must treat the fight against corruption as one of its priorities. The success of this fight depends largely both on the trust felt by citizens towards the state and on a sound economic environment. Taking all this into consideration, the Government of the Republic has set up a Ministerial Committee to lead the fight against corruption.
- The fight against corruption has so far had the following positive effects:
 - 1) The Public Information Act and other legislation has made a considerable volume of information about the activities of the state accessible to the public. The transparency of public administration and the ability to monitor the way in which power is wielded are significant factors in limiting corruption;
 - 2) In the shape of the Anti-corruption Act and other legislation and international agreements dealing with corruption, Estonia has a generally satisfactory legal framework for fighting corruption;
 - 3) The Security Police Board has shown its capacity to deal with corruption offences and criminal misconduct, leading to the conviction of several high-ranking state officials. However, following changes to the system of investigative jurisdiction, there are problems in detecting corruption offences in local governments.
 - 4) Estonia co-operates in fighting corruption at international level and is a member of GRECO (Group of States Against Corruption). GRECO has compiled an Evaluation Report on Estonia and the recommendations it contains are being implemented in the fight against corruption.
- A small number of studies into corruption have been conducted in Estonia. In order to carry out further systematic assessment of the situation regarding corruption, it is necessary to conduct regular studies generating results which can

be compared using a common methodology.

- Experts in the field have deemed it vital for Estonia to have a systematic plan for how to fight against corruption. That plan has been formulated in the shape of this strategy. During the preparation of the strategy, attention has been focused on areas and issues which various studies show to be at risk of corruption.
- It is necessary to be conscious of the fact that corruption is not merely a problem for the public sector, officials and politicians. In addition to the structure of public sector institutions, the spread of corruption is also affected by cultural background and the values which are dominant in society.

3. ANTI-CORRUPTION MEASURES 2004 - 2007

3.1. MEASURES AIMED AT PREVENTING CORRUPTION

3.1.1. Measures related to different problem areas

This Chapter covers the measures to be implemented in order to resolve problems arising in various fields which are at risk of corruption.

<i>Description of measure</i>	<i>Objective</i>	<i>Authority responsible</i>	<i>Additional expense</i>	<i>Term</i>
1. Clearer regulation of the procedures for public servants to work for other employers and of the restrictions on their activities	Regulation of the restrictions on the work and activities of officials to be clear and to provide heads of authorities and agencies and, where necessary, the public with information regarding any ties which could have an effect on the professional activities of the officials.	Ministry of Justice		2004
2. Conduct of self-diagnosis in authorities operating in fields at risk of corruption (using methods developed in the Netherlands)	To obtain an overview of the risk of corruption in each authority - what is the level of resistance of the authority and what measures has it been necessary to use to prevent corruption at authority level.	Ministry of Justice (co-ordinating role) and other ministries (conduct of diagnosis)		2004-2007
3. Clarification of the scope of annual audits in the case of local governments	To strengthen the auditing environment in local governments and thereby also limit opportunities for corruption	Ministry of Finance		2004
4. Granting the State Audit Office the opportunity to audit local governments	To strengthen the auditing environment in local governments and thereby also limit opportunities for corruption	Ministry of Justice, State Audit Office		2005

3.1.2. Increasing deterrent effect of declaration of economic interests

The deterrent effect produced with regard to corruption by declaring economic interests has so far primarily manifested itself through two channels. Firstly, the process of declaring has a disciplinary effect. Secondly, there is the opportunity for the public to check those declarations which are subject to publication. Bearing this in mind, it is important to maintain the process of declaring economic interests even though the declarations themselves have not been pivotal in detecting cases of actual corruption. The objective behind the implementation of the following proposals is to improve the situation:

<i>Description of measure</i>	<i>Objective</i>	<i>Authority responsible</i>	<i>Additional expense</i>	<i>Term</i>
5. Creating the possibility of submitting declarations of economic interests electronically (using the possibilities offered through the e-Tax Board - the electronic service facility of the Tax Board)	To simplify the process of submitting declarations of economic interests. To establish more effective ways of collecting, publishing and verifying declarations.	Ministry of Justice in co-operation with the Ministry of Economic Affairs (the Tax and Customs Board)	500 000 EEK	2006
6. Centralisation of the procedure of verifying declarations (following the implementation of e-declarations)	The objective of appointing a central authority to verify declarations is to enhance the checks performed on declarations and to save resources.	Ministry of Justice in co-operation with the Ministry of Internal Affairs		2006
7. Preparation and introduction of a common methodology for verifying declarations (following the introduction of e-declarations)	A systematic approach to the verification of declarations, including the comparison and analysis of data from declarations of different years.	The authority to be responsible for verifying declarations of economic interests		2006
8. Clarification regarding the officials who are to submit declarations of economic interests and restriction of the obligation to submit a declaration after leaving office.	To make the obligation to submit a declaration of economic interests apply to officials working in fields which are actually susceptible to corruption, not to wider groups of officials as a whole (e.g. all prison officers)	Ministry of Justice		2005

9. Clarification regarding the precise information to be submitted in declarations of economic interests.

Information should be reflected in the declaration of economic interests if it is necessary to use that information to ascertain the economic interests of the official and to enable the extent to which the restrictions on activities and the procedural restrictions are observed to be monitored.

Ministry of Justice

2005

3.1.3. Promoting awareness of corruption as a problem and encouraging ethical conduct

The principal objective of the following measures is to shape a clearer understanding amongst officials of what corruption is and how it can be avoided. As well as developing an atmosphere amongst officials where corruption is not tolerated, the state must put effort into raising awareness in society in general.

<i>Description of measure</i>	<i>Objective</i>	<i>Authority responsible</i>	<i>Additional expense</i>	<i>Term</i>
10. Setting up of an Ethics Council at the State Chancellery	The Council will assist in implementing the public service code of ethics, organising ethics training and increasing ethical awareness.	State Chancellery		2006
11. Integration of ethics training into training programmes for officials	The aim of ethics training is to strengthen the application of the principles of integrity, conscientiousness, economy and effectiveness in the public sector and to implement ethical principles in practice. To involve local governments in ethical training, including in familiarisation training for officials.	State Chancellery, ministries, county governments and other state authorities.		2005
12. Conduct of an annual corruption study	To measure the level of corruption and to increase the level of public awareness by publishing the results	Ministry of Justice	200 000 EEK (per study)	2004-2007
13. Improving availability of corruption-related information and harmonising perceptions of corruption (including setting up a website dealing with corruption, coverage of the topic in the media)	To improve corruption awareness amongst officials and in society as a whole. To increase the ability to differentiate between what is permissible and what is not, even in so-called borderline cases.	State Chancellery, Ministry of Justice	200 000 EEK (website)	2004 – 2007

3.2. STRENGTHENING PROCEEDINGS REGARDING CORRUPTION OFFENCES

The following are measures aimed at increasing the likelihood of corruption offences being detected, simplifying the process of proving such offences, and improving the quality of proceedings. Thanks to these measures, a greater number of serious corruption cases should result in a criminal conviction.

<i>Description of measure</i>	<i>Objective</i>	<i>Authority responsible</i>	<i>Additional expense</i>	<i>Term</i>
14. Appointment of officials in each prosecutor's office and prefecture to specialise in corruption offences, and provision of necessary additional training for those officials. A total of at least 50 officials in the police, the prosecutors' offices and the Security Police specialising in corruption offences.	To increase the likelihood of corruption offences being detected and to improve the quality of proceedings regarding corruption offences.	Ministry of Justice and Ministry of Internal Affairs		2004
15. Setting up task forces comprising specialist officials to combat corruption offences in each district¹. Their task will be to analyse the problem of corruption in the district and, on the basis of that analysis, to make plans for surveillance. Each task force is to be led by a prosecutor and the activities of all the task forces will be co-ordinated by the Public Prosecutor's Office.	To obtain a better overview of the corruption problem, to increase the likelihood of corruption offences being detected and to improve the quality of proceedings regarding such offences.	Ministry of Justice and Ministry of Internal Affairs		2004
16. Implementation of a register of criminal proceedings	To obtain an adequate overview of registered corruption offences and the status of the proceedings at any given time	Ministry of Justice	4 000 000 EEK	2004

¹ i.e. the working districts of the new district prosecutor's offices and the police prefectures (which overlap)

17. An anonymous hotline to report cases of corruption and relationships involving a risk of corruption	To weaken relationships involving a risk of corruption and to increase the likelihood of corruption offences being detected	Ministry of Justice		2004
18. Amendment of the Code of Criminal Procedure to grant prosecutors the right to terminate proceedings with regard to a person whose assistance has been pivotal in the detection of a corruption offence	To weaken relationships involving a risk of corruption, to increase the likelihood of corruption offences being detected and to improve the effectiveness of proceedings	Ministry of Justice		2004
19. Amendment of the Anti-corruption Act to oblige people to inform the authorities of any corruption in their organisation	To weaken relationships involving a risk of corruption and to increase the likelihood of corruption offences being detected	Ministry of Justice		2004
20. Amendment of the Anti-corruption Act to introduce measures to protect people who have assisted in detecting corruption offences (so-called whistleblower protection).	To weaken relationships involving a risk of corruption, to increase the likelihood of corruption offences being detected and to improve the effectiveness of proceedings	Ministry of Justice		2004
21. Amendment of the Penal Code to extend the definition of “official” to cover people working for foreign and international organisations	To reduce cross-border corruption	Ministry of Justice		2004