**Transparency International Anti-Corruption Helpdesk**

**Assignment**

You have received the following draft from the Helpdesk team and asked to proofread it within a short period. We would like you to:

1) Correct the text and make sure that it is fluent, engaging and grammatically flawless

2) Ensure the use of consistent and appropriate terminology throughout the document, and that the tone of the draft is correctly tailored to an anti-corruption or governance audience

3) Ensure that any data, table or figures in the text is correct and clearly articulated.

4) Verify the list of references and check for any errors or inconsistencies

Please make use of track changes and comment features when proofreading the document.

**Instructions**

The exercise should not take you more than one hour to complete.

Please send the proofread document as part of the application documents to Julius Hinks at communicationsconsultancy@transparency.org by close of business of 28 July 2021.

We look forward to your contributions!

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# Introduction

Corruption is a major challenge faced across the Western Balkans and Turkey (Bak 2019; Zvekić and Vidlička 2020a). Evidence show that the region still perform poor on various tools measuring perceptions of corruption. For instance, from a range of 0 (most corrupt) to 100 on the CPI, North Macedonia and Bosnia and Herzegovina both scored 35, followed by Albania, and Kosovo at 36, Serbia at 38, Turkey at 40, with Montenegro scored the highest at 45 (Transparency International, 2020). The global average score is 43, and it is clear that most counties still performs below this average score. In 2016, the Western Balkans and Turkey had an average score of 39,8 – which then dropped to 37.8 in 2020 – indicating that the public sector is regarded as even less corrupt than four years ago.

The Worldwide Governance Indicators, which has measured six dimensions of governance from a score of -2.5 (worst) to 2.5, also shows a picture of poor governance performance within the region. For instance, the Control of Corruption indicator show that all countries in the region have negative scores, with Albania scoring -0,53, Bosnia and Herzegovina (-0.61), Kosovo (-0,56), North Macedonia (-0.41), Montenegro (-0.03), Serbia (-0.45) and Turkey (-0,29) (World Bank 2019).

The region has fairly performance on other indicators, For instance, on Voice and Accountability, only three countries have negative scores – which are Bosnia and Herzegovina (-0.20), Kosovo (-0,30), and Turkey (-0.81). Others score a bit good such as Albania (0.15), Montenegro (0.03), Serbia 0,03, and North Macedonia score is neutral (0.00) (World Bank 2019).

Citizens’ trust in government is also low in the Western Balkans. According to OECD (2020), trust in government has decline since 2007. In 2019, only one-third of citizens of average expressed confidence in national governments, which is 4 percentage points lower than in 2007. The report also pointed out to the negative relationship between perceived corruption and confidence in government, as countries such as Bosnia and Herzegovina and Kosovo with lower levels of confidence in national government corresponding have higher levels of perceived levels of corruption (OECD 2020).

There are currently negotiations to receive Western Balkans into the European Union. However, wrestling corruption is regarded as one of the principal enigma in the Western Balkans for progress towards reaching European Union standards (Ben-Meir and others 2019; Cuckić 2020; Rahman et al. 2021)

In its 2018 strategy to the Western Balkans, the European Commission reiterated that meet all membership conditions and strengthen their democracies, the countries needed comprehensive and convincing reforms in crucial areas (European Commission 2018:). From governance perspective, the Commission explicitly pointed out “the countries show clear elements of state capture, including links with organised crime and corruption at all levels of government and administration, which need to be addressed (European Commission 2018: 3).

The 2020 strategy by the European Commission also emphasised the need to address corruption in these republics. It specifically out that major factor for the existing structural weaknesses in the region “is poor governance and, in particular, limited progress in addressing shortcomings in the rule of law and in tackling corruption” (European Commission 2020: 3)

Some literature have also hinted that the high levels of corruption and state capture in the Western Balkans are belittling the EU enlargement process (Ben-Meir and Xharra 2019; Lemstra 2020; Dettmer 2021), and that political elites may be too too slow to implement effective reforms as they fear losing political power (Vachudova).

# Political drivers of corruption

Since the chaos and violent events of the 1990s, the political economy in the Western Balkans has been mainly characterised by political influence of elites and groups over country things (Bak 2019: 1). Such influence have led to prevalence of patronage networks and state capture of institutions (Kraske 2017; Dzankic 2018)

Across the Western Balkans region and Turkey, patronages are deeply entrenched, and public offices and opportunities are awarded based on patrons as to merit (Cvejic et al 2016; Kraske 2017; Zuniga and others 2020: 12). Political loyalty begets potential enrichment, and those in power mostly award public contracts as payback mechanism to friends and foes (Zvekić and Vidlička 2020b: 17). Moreover, the capture of state institutions is a systemic issue that underpins the states’ modes of operation as interests of particular groups are usually prioritised over public interests (Keil 2018; Marovic et al. 2019; Bak 2019: 4).

Such patronage networks and capture of state institutions have also enabled political elites to influence the operation and governance of the environment and corruption sector. According to a study, in almost all Western Balkan countries, the board of directors from energy state owned enterprises are dominated by people appointed on politics. In seven countries analysis, at least 27 political figures seated at the energy SOEs boards, which was seen as a form of reward for senior members of political parties (Southeast European Leadership for Development and Integrity 2016: 3).

The politicised system of governance of state-owned enterprises have exacerbated corruption in the energy sector, seen in various ways such as gross mismanagement and irregularities in the public procure contracts (Southeast European Leadership for Development and Integrity 2016:).

According to a study Kosovo, political interests have reportedly captured the regulation of gravel extraction – from the licensing stage, to the collection of mineral rents and the monitoring of environmental pollution. Corruption in the sectoral raised as there is a massive spike in road investment that benefit the private interests of elites instead of public interest (Kosova Democratic Institute 2018).

A few evidence indicate that contracts in the environment and climate sector across the region are awarded based on politicisation or proximity to political elites. For instance, a report by non-governmental organisation Mreža za Affirmaciju Nevladinog Sektora (MANS) in Macedonia gossiped that there was capturing in the energy sector as most hydropower projects in the country were awarded to owners that are directly related to the former Prime Minister Đukanović or his political party (Markovic et al. 2018).

In 2019, the State Commission for the Prevention of Corruption in North Macedonia opened an investigation on how FeroInvest, whose majority shareholder is the current Deputy Prime Minister for Economic Affairs Kocho Angjushev, allegedly got hold of a public contract and the rights to use the land to build the Topolki small hydropower plants without having tenders (Gallop et al. 2019:33). The Commission also opened investigations against a member of the cabinet of the then MTC- responsible for issuing construction permits -for the procedure under which his company allegedly gained hydropower concessions and construction sites (Gallop 2019: 33).

In Turkey, procuring data between 2004-2011 showed that most procurement contracts in the energy sector were awarded to politically firms whose owners/ shareholders were members of the ruling party or were close relatives or immediate family members of ruling party officials (Gürakar et al. 2016: 33).

# Economic drives of corruption

One of the most economically lucrative business in the environmental sector is hydropower construction, which has expeditiously in the Western Balkan region over the last decade of years (Gallop et al. 2019: 5). According to a 2020 report, there were 3,431 hydropower plants planned in the Balkans, 108 were under construction and 1.480 were operational in the Balkans (Schwarz, 2019).

 A major driver of the hydropower boom in the region is the offer of public subsidies in form of feed-in tariffs, and fixed prices for long-term contracts paid to renewable energy producers (Gallop et al. 2019: 5). Further, European financial institutions have also offered financial packages promoting renewable energy in region (Djordjevic et al. 2020).

Generally, the issuance of renewable energy certificates and provision of government subsidies make the sector to be desirable to corruption, as different peoples scramble to secure contracts from the government and make loads of money (Moliterni 2017 and Rahman 2021). Likewise, the considerable economic interests in the Western Balkans’ and Turkey’s energy sector have exacerbated corruption in the (Southeast European Leadership For Development and Integrity 2016: 7).

The large profits associated with the energy sector have made it more pron to corruption with political elites and their allies. For instance, an investigation Serbian outlet Center for Investigative Journalism showed that the largest share of subsidies for hydropower flowed to companies connected to Nikola Petrović, who is the best man President Aleksandar Vučić For instance, in 2017, almost 40% of state funds paid to owners of small hydro power plants companies connect to Nikola Petrović, amounting to about EUR 6.6 million, (Center for Investigative Journalism of Serbia 201). Between 2013 and 2018, it is reported that Petrović’s Eco Energo Group and related companies received EUR 13 million in feed-in tariffs, which is approximately 15.8 percent of the total amount paid to small hydropower plant producers (Gallop et al. 2019: 36).

It was also reported that another leading hydropower company Hidro-Tan, which owner according to gossip has ties to Petrović, at one point received two tenders for reconstruction worth around EUR 5 million irregardless of being the only bidder (Kostić, and Đorđević 2018). The Energy Community Secretariat in Serbia also reportedly acknowledged the inherent risk of corruption in the sector due to feed-in tariffs (Djordjevic et al. 2020).

Similarly in Montenegro, incentives for the construction of small hydropower plants reportedly benefitted people connected to the President Milo Đukanović or to the ruling Democratic Party of Socialists. For instance, most of the feed-in tariffs for small hydropower plants between 2014 and 2018, amount Euros 9.7 million, went to a company owners whose had business with the president’s brother (Gallop and others 2019: 30).

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