OECD Public Governance Reviews

A Strategic Approach to Public Integrity in Hungary

THE 2023-25 NATIONAL ANTI-CORRUPTION STRATEGY AND ACTION PLAN

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Foreword

Hungary is taking steps to improve the rule of law, a key part of which is the development of a new strategic approach to combatting corruption and fostering public integrity. In the context of the conditionality mechanism triggered by the European Commission and the negotiations over Hungary's Recovery and Resilience Plan (RRP) in 2022, Hungary has developed a draft Medium-Term National Anti-Corruption Strategy for 2023-2025 (NACS) and an Action Plan for its implementation.

This report, which is part of the OECD's work to measure and evaluate public sector integrity strategies, assesses the draft NACS against the OECD Recommendation on Public Integrity and international good practice.

The NACS presents an opportunity for the Government of Hungary to reassess its integrity framework and, through setting clear objectives and strong, measurable actions, to see tangible improvements in its ability to combat corruption across all levels of government and wider society.

The report analyses the form and content of the NACS and makes proposals for improvement. It assesses how Hungary could strengthen problem analysis to understand the corruption challenges it faces; suggests how strategic objectives could be set and prioritised; makes recommendations for setting clear, measurable actions; and draws upon the OECD's Public Integrity Indicators to propose an effective monitoring and evaluation process for the strategy. By implementing these recommendations and learning from the experiences of its peers, Hungary can lay a strong foundation for this and future strategies and continue to build a resilient integrity framework.

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Acknowledgements

Table of contents

FIGURES

TABLES

BOXES

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Executive summary

Hungary is taking steps to improve its anti-corruption framework and to promote public integrity. The adoption of the Medium-Term National Anti-Corruption Strategy for 2023-2025 (NACS) and the Action Plan for its implementation, within the framework of the conditionality mechanism triggered by the European Commission and the negotiations over Hungary's Recovery and Resilience Plan (RRP) in 2022, is a significant part of that process. Based on an assessment of the current performance of Hungary's anti-corruption framework, the NACS sets a series of strategic objectives that it then translates into eight priority intervention areas and six groups of actions in the Action Plan. It also describes a monitoring and evaluation process and comments on the budgeting requirements of the planned activity.

Nonetheless, Hungary could strengthen its strategy, in line with international good practices, with a view to producing tangible improvements in its anti-corruption framework. This report provides an assessment of the NACS and its Action Plan, looking both at the form and substance of the draft strategy and providing recommendations for improvement.

Key findings

The assessment of the NACS has identified both challenges and opportunities for Hungary as it develops its strategy ahead of adoption:

- The NACS would benefit from clarification throughout about how it will produce tangible improvements in Hungary's integrity framework. This would help to build trust in the framework with evidence and meet Hungary's objectives in remedial measure No.3 and the RRP. The adoption of the NACS is not an end in itself. Rather, the NACS presents an opportunity for Hungary to strengthen its public integrity framework at all levels – at the highest political levels, through all tiers of government, and into the private sector and wider society.

- The NACS has undergone some useful intra-governmental and external consultation which has informed the objectives, prioritisation and actions in the current draft. Although the development of the NACS is subject to significant time pressure, there is scope to undertake a more thorough consultation process to help build a common vision, increase the legitimacy of and support for the strategy, and ensure the relevance and effectiveness of the proposed activities.

- The NACS follows a similar structure to the Strategy Against Fraud and Corruption for European Union Funds, but the NACS could better articulate the challenges it is seeking to overcome, why these challenges have been prioritised, how it will overcome them and by when, and how it will measure success.

- The NACS sets out a broad range of objectives, based on Hungary's commitments in remedial measure No.3 and its Recovery and Resilience Plan, and sets a high-level goal of fighting corruption across the whole of society. Clearer framing to demonstrate how the different sections of the NACS build on each other would make it easier to understand the underlying logic and theory of change.

- The Action Plan contains a range of actions across six of the intervention areas set out in the NACS for improving Hungary's ability to fight corruption. Actions for two of the intervention areas appear to be missing. Overall, the actions could be more detailed, setting out what specific steps will need to be taken and when, and, ultimately, what outcome those steps are designed to produce. These improvements could be made to ensure the NACS produces the changes which it is intended to produce.

- The NACS sets out a process for monitoring and evaluating (M&E) the implementation of the strategic objectives and actions, which is a vital component of all anti-corruption strategies. These M&E processes could be clarified, however, with more detail about how they will work, how they will ensure the NACS can effectively address implementation challenges, and, ultimately, how they will ensure the NACS achieves its aim of strengthening the anti-corruption framework in Hungary.

- Communicating progress and results to internal and external stakeholders enables accountability, increases the credibility of integrity efforts by the government, and fosters support for the strategy. The NACS currently does not contain a plan for communications about its implementation.

Key recommendations

The following recommendations would strengthen the NACS and Action Plan (AP):

- Undertake a broader consultation process, both internally and outside of government, to promote ownership and improve transparency before adoption.

- Strengthen, clarify and streamline the problem analysis underpinning the six intervention areas of the Action Plan.

- Set out how the NACS complements other strategies to address gaps, enhance coherence and avoid duplication in Hungary's anti-corruption framework.

- Link each objective with the corresponding actions, outputs and milestones in the Action Plan to show how the objectives will be realised through relevant activity.

- Make the Action Plan more detailed, setting out clearer expectations of implementing authorities and clarifying timings and delivery milestones, outputs, and indicators for tracking progress.

- Draft some measures in the Action Plan more clearly to ensure they are actionable, and some measures could be added to improve coverage and make sure the Action Plan is effective.

- Clarify who owns co-ordination mechanisms for the Action Plan, how activity will be funded, and how indicators will be used to promote implementation of the NACS and AP.

- Include in the monitoring a methodology allowing for flexible adjustments of the NACS.

- Clarify the methodology for evaluation, defining indicators and including evaluations in the Action Plan.

- Plan measures to engage relevant stakeholders and civil society in monitoring implementation and develop a communications strategy to involve and inform citizens and businesses.

1 Why a strategic approach to public integrity in Hungary

This chapter sets out why taking a strategic approach to combating corruption and upholding public integrity is important. It explains that Hungary is developing a new anti-corruption strategy as part of its Recovery and Resilience Plan and the remedial measures set out in the context of the conditionality procedure initiated by the European Commission.

A strategy for public integrity is essential for directing and supporting a coherent and comprehensive integrity system. As such, a strategy is not an end but rather a means to an end. Public integrity strategies are also a way of demonstrating commitment to public integrity and can be used to establish institutional responsibilities within the public integrity system. However, if strategies do not lead to visible gains – for example, due to inadequate implementation – they can at best become irrelevant and at worst erode public confidence in national authorities (OECD, 2020[1]).

To effectively serve its cause and be relevant, a strategic approach needs to be underpinned by evidence on integrity risks and drivers of corruption, and by clear objectives and a measurement framework that tracks implementation and ensures an effective accountability and communication to citizens and public officials alike. In this sense, the *OECD Recommendation on Public Integrity* states that adherents should "develop a strategic approach for the public sector that is based on evidence and aimed at mitigating public integrity risks, in particular through (OECD, 2017[2]):

- Setting strategic objectives and priorities for the public integrity system based on a risk-based approach to violations of public integrity standards, and that takes into account factors that contribute to effective public integrity policies.
- Developing benchmarks and indicators and gathering credible and relevant data on the level of implementation, performance and overall effectiveness of the public integrity system."

Within the framework of the conditionality procedure initiated by the European Commission against Hungary on 27 April 2022 on the basis of Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget, on 22 August 2022 the Hungarian Government proposed the adoption of 17 remedial measures to address the findings set out in the Commission's notification of 27 April 2022. The Hungarian Government undertook some further commitments on 13 September 2022 as to some of the 17 remedial measures.

Specifically, the Hungarian Government committed in remedial measure No.3 to strengthening the anti-corruption framework, inter alia, by adopting a new **Medium Term National Anti-Corruption Strategy for 2023-2025** (hereinafter referred to as NACS) and an **Action Plan** (hereinafter referred to as AP) for its implementation. The Hungarian Government committed to adopt the NACS and the AP by 30 June 2023, in line with the same commitments made within the conditionality procedure in its Recovery and Resilience Plan (RRP, measure C9.R7: Development and implementation of a National Anti-corruption strategy and action plan; milestone No. 178).[1]

This report provides a first assessment of the draft NACS and AP and proposes concrete recommendations on how to strengthen the strategy with the aim of achieving the stated expected results and aligning the strategy with national priorities and international good practice.

References

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, https://doi.org/10.1787/ac8ed8e8-en. [1]

OECD (2017), "Recommendation of the Council on Public Integrity", *OECD Legal Instruments*, OECD/LEGAL/0435, OECD, Paris, http://www.oecd.org/gov/ethics/Recommendation-Public-Integrity.pdf. [2]

Note

[1] See: https://data.consilium.europa.eu/doc/document/ST-15447-2022-ADD-1/en/pdf.

2 Reviewing the development process of Hungary's NACS 2023-2025

This chapter analyses the development process of Hungary's draft National Anti-Corruption Strategy 2023-2025. It explores Hungary's consultation process during the development of the NACS and suggests that process could be broadened to improve ownership and transparency ahead of adoption. It also examines and makes recommendations for strengthening Hungary's situation analysis to better identify the problems and opportunities in Hungary's fight against corruption. And it assesses the NACS's complementarity with other strategies and suggests that Hungary should take steps to harmonise and avoid duplication between its strategic documents.

2.1. Introduction

The process of developing a national anti-corruption strategy is widely seen to be equally important as the resulting strategy itself (OECD, 2020[1]). An inclusive and rigorous strategy development process can help select relevant strategic objectives that are meaningful to citizens and businesses, prioritise and sequence actions in an open manner to address the most crucial integrity risks, provide the necessary evidence for the interventions that are most cost-effective and likely to have the greatest impact and promote the sense of ownership and commitment to the stated goals and activities (OECD, 2020[1]).

Hungary committed in remedial measure No.3 (Strengthening the Anti-Corruption Framework) and in its Recovery and Resilience Plan to prepare the Medium Term National Anti-Corruption Strategy for 2023-2025 (hereinafter referred to as NACS) in dialogue with relevant stakeholders and with the involvement of the national Anti-Corruption Task Force, following consultations with national and international stakeholders, including the OECD, the European Commission and the Council of Europe, and in dialogue with stakeholders on the incorporation of their recommendations. Considering this commitment, this section provides an overview of the process undertaken to develop the current version of the NACS as well as recommendations to ensure an inclusive and rigorous development process of the final strategy.

2.2. Ensuring an inclusive and rigorous development process of the National Anti-Corruption Strategy (NACS)

2.2.1. Undertake a broader consultation process both internally and outside of government to promote ownership and improve transparency before adoption

To help build a common vision, increase the legitimacy of the strategy and augment support for it both within the public sector and wider society, it is recommendable to include a broad range of voices in the development process of the national anti-corruption strategy (OECD, 2020[1]). This includes several voices within the public sector, but also more broadly from the whole of society (the private sector, academia, civil society organisations and citizens). Table 2.1 presents the key criteria for inclusive and transparent intergovernmental and public consultations according to the OECD Public Integrity Indicators.

Table 2.1. Criteria for inclusive and transparent intergovernmental and public consultations

OECD Public integrity indicator number	Criteria to fulfil
3.4.1.	A minimum duration of at least 2 weeks for inter-governmental and public consultation period is established in legislation.
3.4.2.	The public consultation portal contains the draft strategy, including all supporting relevant materials.
3.4.3.	All public integrity strategies in force have undergone inter-governmental and public consultation.
3.4.4.	At least one public integrity strategy has undergone an extended consultation process.
3.4.5.	At least one key integrity body has been consulted and provided inputs through the regular intergovernmental or public consultation procedures to at least one of the existing public integrity strategies.
3.4.6.	At least one non-state actor has been a member of a working group mandated to develop or amend public integrity strategies in force.
3.4.7.	The public consultation portal contains a summary sheet for all draft strategies with responses to all submitted comments provided during the public consultation.

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 4.
Source: OECD (2023[2]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

Considering that various agencies, departments and units across different branches of government have responsibilities when it comes to implementing a national anti-corruption strategy, international good practice emphasises that its development process should ensure the appropriate inclusion and participation of actors responsible for carrying out the different elements of the strategy (OECD, 2020[1]; G20, 2021[3]; UNODC, 2015[4]). Consultations should extend not only to the political leadership of the various implementing agencies, but also to the technical staff who will play a key role in implementing the strategy. Consultations could also benefit from valuable inputs from the business community, civil society organisations, the media, academics and the public in general. Such a broad participation process offers transparency, by allowing a multi-stakeholder approach to the strategy, and promotes ownership, acceptance and active support, all critical elements for such a national anti-corruption strategy to succeed.

When steering such a process and then drafting a strategy that involves several bodies, such as the NACS, one option is to assign to a small committee the primary responsibility for elaborating the draft strategy document and granting it a reasonable degree of autonomy in developing the draft. Such committee should be composed of representatives from the relevant public bodies (OECD, 2020[1]; UNODC, 2015[4]), because the drafting body should have sufficient stature and legitimacy to act as an effective "champion" for the drafting stage and ultimately for the strategy itself. Representatives from the business sector and civil society may also be invited to participate in this committee, either as full members or observers.

The current version of the NACS was prepared by the Ministry of Interior and the National Protection Service (NPS), with assistance from the Ministry of Justice in the latter stages of drafting. Since 2014, following a restructuring within the Hungarian government, the NPS has been responsible for co-ordinating anti-corruption work in Hungary, including drafting strategic documents and overseeing the implementation of their measures.

Officials in the NPS said during consultations with the OECD that the current version of the NACS was developed collaboratively with different ministries and public organisations (for instance the courts or the Public Procurement Office). The NPS reviewed previous strategies to develop a better sense of which intervention areas and actions should be included in the NACS. It analysed internal statistics and reviewed recommendations and best practice set by international organisations to determine the scope of the NACS. This collaborative approach to developing the draft NACS is positive, but Hungary could undertake further intra-governmental consultation with specified mechanisms for participation, in order to incorporate the widest possible range of views on the strategy's development. It may also improve confidence in the finished strategy and accountability among relevant public authorities, if some commentary on the consultation process (in terms of how it was undertaken and why it produced the results it did) was included in the NACS.

Officials from the Ministry of Justice and the National Protective Service also said in consultations with the OECD that there is a legal requirement in Hungary for all draft laws to undergo public consultation. However, there is no legal requirement for the NACS to undergo public consultation, although it will be adopted by a government decision. Instead, the Anti-Corruption Task Force, through its civil society members, will provide the mechanism for gathering views on the strategy from outside of government. The Task Force is currently assessing the draft NACS and will publish a special report on the NACS by 1 June 2023.

This engagement through the Task Force is positive. However, in spite of there being no legal requirement to do so, there is scope for Hungary to undertake a wider public consultation to gather the fullest possible range of views, in line with the OECD *Recommendation on Public Integrity*, (OECD, 2017[5]). This is especially the case since the Task Force's civil society members have said they do not represent wider public opinion, only the points of view of their respective organisations (Atlatszo, 2023[6]). Although Hungary does not have much time before adopting the NACS, the NACS and AP could be improved if Hungary invited representatives from government entities responsible for the implementation of the strategy and from business or professional associations, civil society organisations and academia to participate in further consultations. For example, Hungary could organise a short series of bilateral or multi-lateral meetings to allow invited participants to contribute to the policy design, drawing on examples of

international best practice as set out in Box 2.1. Doing so would improve the problem analysis in the NACS, could highlight new ways of solving the challenges in the anti-corruption framework, and may more effectively deliver the NACS's stated intention to develop a 'whole-of-society' approach to fighting corruption.

Box 2.1. Examples of stakeholder consultations for the design and implementation of anti-corruption strategies

Broad consultations for the design of the National Anti-Corruption Action Plan (NACAP) 2022 - 2025 in Greece

In Greece, the lack of consultations in the National Anti-Corruption Action Plan (NACAP) 2018-2021 was identified by the EU as a major setback during the implementation and monitoring phases. As a result, the actions of the previous Action Plan were not always clearly defined, and, in many cases, there were no appointed focal points. These conditions made the monitoring of the implementation progress, as well as the evaluation of NACAP 2018-2021, extremely challenging.

In designing the new NACAP 2022-2025, the National Transparency Authority (NTA) in Greece was primarily concerned with including all relevant stakeholders early in the design process, in order to create ownership of the NACAP's strategic objectives and structure, and to consult them while choosing and describing the actions to be included. The NACAP 2022-2025 was developed with the participation of various stakeholders, following an extensive consultation process. More than 44 meetings took place with 24 stakeholders during the second semester of 2021, with the participation of public policy stakeholders and representatives from the private sector and civil society. The meetings were held between May and November 2021 and included, as a first step, a joint assessment and interpretation of the results obtained from the implementation of the actions of the previous NACAP, both for the agencies involved and for each distinct group of beneficiaries (public administration, citizens, businesses). To develop the actions as specifically as possible, during the design phase, a three-page standardised document – an action Identification Fiche – was prepared for the description of each action. The identification fiche includes all the main elements: who is the stakeholder, the descriptive analysis of the action, which will be the necessary steps for the implementation of the action, the deliverables, and the outcomes. During the consultation phase, and after having generally agreed upon the actions to be included, an Identification Fiche was completed for every action by the stakeholders with guidance from the NTA. In addition to collaborative development of actions, the Identification Fiches are expected to provide necessary information for every action included in NACAP as a point of reference during the implementation and monitoring phase.

Civil society involvement in the drafting of an integrity strategy and its implementation in the Netherlands

The Platform for Corruption Prevention in the Netherlands provides an example of how various stakeholders, including civil society organisations (CSOs), can be involved in implementing an anticorruption strategy, as well as in helping design future strategies. Beyond public institutions, representatives from business and civil society were invited. These representatives were from private integrity and investigation services; the corporate risk and security management services of multinationals; the Association of Chambers of Commerce; the Association of Business Enterprises; Transparency International Netherlands; journalists; and academia. The meetings allowed participants to exchange expertise and experiences with anti-corruption developments in the Netherlands, and to share contributions to policy design and implementation, identification of corruption risks, research and training.

Source: European Commission (2023[7]), *Handbook of good practices in the fight against corruption*; Centre for the Study of Democracy (2014[8]), *Civil Society Involvement in Drafting, Implementing and Assessing Anticorruption Policies: Best Practices Manual*.

Finally, all supporting documentation regarding the public consultation process could be made available to the public to ensure an informed participation of relevant stakeholders. This could include, for example, results of regulatory impact assessments or information relating to exchanges between relevant government bodies. It should also be made clear how comments and feedback provided by the public, the private sector and the civil society organisations were considered in the final version of the strategy, including explanations for those comments that were not taken on board. For example, Hungary could publish online the minutes of the consultation meetings proposed for the finalisation of the draft NACS, as well as a summary sheet with responses as to how the stakeholders' comments were addressed (OECD, 2023[2]).This kind of openness and integrity matter for trust in government. Governments' actions to strengthen individuals' ability to participate in politics, and improve perception of meaningful opportunities to participate among those who are sceptical, will help to improve trust (OECD, 2022[9]).

2.2.2. Strengthen, clarify and streamline the problem analysis underpinning the six intervention areas of the Action Plan

To be effective, a national anti-corruption strategy should be based on an accurate assessment of the problems and their causes, as well as the challenges and opportunities that the country faces in combating corruption (OECD, 2020[1]). This preliminary diagnosis, sometimes termed "problem analysis" or "situation analysis", consists of two main elements: an assessment of the nature, extent and impact of the country's corruption problems and risks, and an assessment of the opportunities and obstacles that may facilitate or hinder the implementation of effective anti-corruption reforms. Table 2.2 shows minimum standard of good practices to develop evidence-based strategies.

Table 2.2. Assessing criteria of Evidence-based problem analysis and use of diagnostic tools

OECD Public integrity indicator number	Criteria to fulfil
3.2.1	Within the last five years, an inter-institutional body has prepared and published an analytical report on public integrity risks that formulates recommendations and sets priorities for the whole public integrity system.
3.2.2	Each existing strategy is based on an assessment of public integrity risks, identifying as a minimum specific types of relevant integrity breaches, the actors likely to be involved, as well as the expected likelihood and impact if the risk materialises.
3.2.3	Each existing strategy refers to at least 4 out of the following 8 sources of information related to public integrity: (a) indicators from international organisations or research institutions, (b) employee surveys, (c) household surveys, (d) business surveys, (e) other survey data, such as user surveys, or polls from local research institutions, (f) data from public registries (e.g. law enforcement, audit institutions, national statistics office), (g) published research documents from national or international organisations or academia (e.g. articles, reports, working papers, political economy analysis) and (h) commissioned research.

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 2.
Source: OECD (2023[2]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

In its current version, the NACS contains several sections – sections 2, 3 and 5 – which provide helpful explanations of the current state of the public integrity system and the anti-corruption reforms undertaken by Hungary in recent years. These sections usefully set out the range of rules-based and values-based measures Hungary uses for combating corruption, along with the individuals and organisations involved in implementing them. However, the current drafting of the NACS makes these elements appear a little siloed, and these sections may benefit from a greater sense of how the individual elements described work together to form an overall framework for combating corruption. Doing so may make clearer how the system currently works, where the gaps or overlapping competencies might be, and where the opportunities for improvement are.

The current draft could also be clearer on what the specific problems, challenges/opportunities and gaps are in practice and how these could hinder or foster the implementation of the NACS. For instance, Chapter 2 provides information on how the Integrity Decree – *Government Decree No. 50/2013. (II. 25.)* – introduced the function of the integrity advisor and made it obligatory for all state administration organs, with a few exceptions, to appoint such an officer. It fails, though, to provide an assessment of the challenges and opportunities that such an arrangement could offer for the effective implementation of the NACS or how the NACS could further strengthen these integrity advisors. This assessment could be supported through surveying integrity advisors, separately from their annual reports, to draw on the experiences and insights they have gained through having been in place for almost a decade.

Moreover, these sections contain several normative statements on what countries could or should do to mitigate integrity risks and strengthen the fight against corruption. However, it is not clear whether some of these statements correspond to concrete issues and actions identified as priority areas of intervention in Hungary, or to general statements used as part of the analysis. For instance, Section 5.6 states that small and medium-sized enterprises should be involved in public procurement to enhance competition, but it is not clear whether this is a concrete action identified as a priority area to work on in the context of the NACS or just a general normative statement.

In addition, some of these normative statements are contradicted or challenged by recent evidence from research and practice:

- Experimental evidence from behavioural sciences (Box 2.2) leads to reconsider some normative statements included in the NACS related to ethical decision-making in general (e.g. Section 4.2.1.1 stating that "*All ethics-related decisions are, ultimately, a matter of the individual's conscience*"), on the relevance of training and target groups (Section 5.2 "*Regularly repeated training is the most effective means of enhancing integrity awareness*" and Section 5.3 "*Particular attention should be paid to the provision of such training for top leaders, particularly for those in high positions*") and on awareness raising (Section 5.7: "*It has been proven by multiple research studies that it is by keeping the topic on the agenda and returning to it again and again, that lasting results can be achieved in awareness raising towards corruption prevention, a highly sensitive matter*"). This new evidence also questions some of the standard approaches and anti-corruption measures.

- The normative statement linking transparency to trust (Section 4.2.3.3 "Enhancing the already available access to information of public interest also contributes to growing public trust") is not automatic. While transparency can indeed promote trust, citizens also need to trust the information and the institutions that are providing it, making the relationship less linear than often stated. If citizens do not trust the information provided or feel that there are no credible responses from the government, more transparency may lead to cynicism (Bauhr and Grimes, 2014[10]). Promoting trust therefore requires a more sophisticated strategy and analysis of the drivers of trust in a given context (OECD, 2022[9]).

- The NACS emphasises that reporting can be promoted through training and competences (Section 4.2.1.3). While knowledge about reporting channels and protection mechanisms may indeed help, the NACS could place greater emphasis on the relevance of trust in the system. For instance, the results from the Global Corruption Barometer 2021 indicate that only 34% of Hungarian citizens would not fear reprisals when reporting incidents of corruption (against an average of 47% in the European Union) (Transparency International, 2021[11]).

Box 2.2. Recent findings from behavioural sciences for integrity policies

Behaviours matter. Change requires that people start doing things differently. As such, policymakers need to understand better what drives our behaviour. The innovative potential of incorporating the human factor with its psychological, cognitive and social dimensions into integrity policies is now widely acknowledged. Nonetheless, human behaviour is often still an underappreciated dimension in the formulation of integrity policies, which tend to focus on legal and institutional reforms. To bridge this gap, the OECD report on "Behavioural Insights for Public Integrity" links relevant insights from behavioural research to anti-corruption and integrity policymaking (OECD, 2018[12]).

Three key messages emerge from these behavioural insights for public integrity:

1. Independent from the context, most people want to act with integrity. At the same time, they may engage in unethical practices while still managing to feel being an honest person (Cohn et al., 2019[13]; Shalvi et al., 2011[14]; Fischbacher and Föllmi-Heusi, 2013[15]). This has implications for law and policymaking (Feldman, 2018[16]). Traditional anti-corruption measures focus almost exclusively on the corrupt individuals. By doing so, the costs of the anti-corruption measures on the non-corrupt have been largely neglected. Policymakers should focus more on supporting ethical decision-making by providing an enabling environment and trust (Lambsdorff, 2015[17]). As ethical choice is often unconscious, capacity-building and tools may not be enough to promote actual ethical decisions.

2. Social norms matter in shaping our choices (Bicchieri, 2017[18]; Bicchieri, 2005[19]) (Bicchieri, 2017[18]; Bicchieri, 2005[19]). People behave according to the beliefs and expectations of what is acceptable within their social context. Integrity reforms may fail if they do not consider existing social norms that may not be aligned with formal regulations and procedures. Again, instead of focusing on bad behaviours and thereby potentially reinforcing existing social norms, making visible good behaviour to promote cultures of integrity could be the key to success. At organisational levels, middle management leaders could play an important role in achieving this (OECD, forthcoming[20]).

3. Integrity policies, even when well-intentioned, may not always deliver the desired impact or may even backfire when people do not react as expected. In particular, when designing awareness raising campaigns policymakers need to consider how the messages conveyed may contribute to unintentionally normalising corruption in the target groups (Corbacho et al., 2016[21]; Ajzenman, 2021[22]; Peiffer and Walton, 2022[23]). Instead of making assumptions or desiring how people would or should behave, observing and understanding actual behaviour should be the starting point. Also, piloting before upscaling is key. The understanding of cognitive biases and heuristics has improved; they can be predicted and thus factored-in when designing policies.

Source: OECD elaboration.

The draft NACS also contains helpful sections at 2.3, setting out definitions of terms in the fight against corruption, and at Section 2.4, setting out basic principles for the fight against corruption. Officials in the Ministry of Justice and NPS explained during consultations with the OECD that many of these definitions are lifted from relevant legislation. Others are drawn from academic and international research and recommendations. These definitions will be reviewed and, where necessary, amended by the Anti-Corruption Task Force as part of its assessment of the draft NACS in its first annual report. These sections on definitions could be improved by making clearer where the definitions are drawn from and offering some justification for the definitions used, by, for example, consulting the academics and researchers whose

work has been drawn upon. This approach could be especially helpful where new definitions, not previously set out elsewhere, have been developed.

In addition, the draft NACS's use of evidence to assess the effectiveness of the current system, to support the problem analysis, and to prioritise and make the case for the changes proposed later in the document could be improved. There is a useful effort within Section 3.3 to present data from the National Tax and Customs Administration, the Police, and the Prosecution Service on current criminal corruption levels. Officials in the Ministry of Justice and NPS explained to the OECD that this data was presented because of its availability and because they wanted to focus on presenting official statistics. A similar explanation could be added to the draft NACS, to clarify why this data is used and why it is drawn from these public authorities as opposed to any others. A fuller analysis of the evidence presented in this section may also help to substantiate some of the conclusions drawn from it. At present, the data in this section does not, by itself, prove that the relevant authorities were more effective at addressing corruption cases than other offences.

Also, while reducing single-bid procurements is a target set by the EU, the draft NACS could make clearer what the evidence in Section 3.4 on single-bid procurements is intended to show, and could draw out the connection between reducing single-bid procurements and combating corruption more. In addition, more evidence / commentary could help to prove the causality between recently introduced measures and the observed decrease in the proportion of single-bid procurement transactions.

However, as well as explaining the evidence which is already there more effectively, the NACS could be significantly improved if a wider evidence base was used to support the problem analysis and prioritisation. As the OECD *Recommendation on Public Integrity* sets out, to effect change the full complexity of corruption needs to be understood. Influence trading, embezzlement of public property, use of confidential information and the abuse of power are just some of the more intrinsic corrupt acts that are the most harmful for society (OECD, 2017[5]), and the evidence base should therefore be broadened beyond criminal statistics data on corruption.

The Hungarian government set out in consultations with the OECD that there is a wealth of data across public sector organisations in Hungary on how the anti-corruption framework is performing. In many instances, this is not only raw data but is collated and assessed by public authorities on a regular basis. Much of this data could be used to provide a fuller picture of corruption and corruption risk in Hungary and how mechanisms designed to mitigate these challenges are working. Notable examples of this data collection and assessment include:

- The State Audit Office (SAO): Between 2011 and 2020 the SAO mapped integrity and corruption risk at public institutions as part of an integrity project supported by the European Union. Since then, public bodies have started to provide a self-evaluation, which the SAO uses to conduct a risk assessment and determine which public bodies will be audited. The SAO told the OECD that starting in 2023 audits will not only look at whether required regulations are in place but also whether they are being implemented. The audits use the COSO model, are based on official records, findings of previous audits, data collection, and interviews. Hungary could use the SAO's large, consistent data set, which covers a range of hard (i.e. prescribed in law) and soft controls (i.e. policy or values-based measures), to assess trends across organisations and over time and to develop a fuller understanding of the problems they face.

- Integrity Advisers: Officials in the NPS told the OECD that 367 Hungarian public bodies currently have integrity advisers, which are the officials responsible for receiving and investigating notifications of poor behaviour, taking reports of corruption risk, and providing advice to public organisations' management. Integrity advisers conduct an annual risk assessment survey through an anonymous platform which is submitted to the Ministry of Interior and published on korrupciomegelozes.gov.hu. Day to day, integrity advisers collect casework, including whistleblowing reports, in casework databases (one example of which described in consultations

with the OECD included details of the case's date, subject, and transmission to other relevant public bodies). Hungary could use information held by integrity advisers as good quantitative and qualitative evidence of corruption risk across public bodies. In particular, integrity advisers' casework data could provide a more real-time evidence base than annual reports or audits.

- Integrity Authority: Hungary committed in its remedial measures to reinforce prevention, detection and correction of illegalities and irregularities concerning the implementation of European Union funds through a newly established Integrity Authority. Act XXVII of 2022 thus gave the Integrity Authority powers to conduct assessments, investigations and audits in relation to the use of EU funds in Hungary. The Integrity Authority published a risk assessment of the public procurement system in March 2023. This report offers the NACS drafting authorities good insight into the challenges facing a key part of the integrity framework along with a solid sense of what specific measures could be taken to improve it. The Integrity Authority is also gathering data and plans reports over the coming year on the concentration of the public procurement market, the asset declaration system's operation, and the Integrity Authority's own risk assessment methodology. Hungary could reflect these data and reports in its monitoring and evaluation process to improve the NACS throughout its reporting period.

In addition to this internal data, Hungary could make fuller use of external sources in its problem analysis too. Doing so could generate further insights into the challenges facing Hungary's anti-corruption framework and build public and implementing authorities' confidence that the NACS's objectives and actions are the right ones. Examples of external sources include:

- The Eurobarometer, which explores the level of corruption perceived and experienced by European citizens, analysed at EU level, by country, and by socio-demographic category.

- The European Anti-Fraud Office's annual OLAF reports, which set out the number and types of irregularities and risks recorded in its investigations.

- The OECD Public Integrity Indicators, which provide data on the preparedness and resilience of the public integrity system at the national level to prevent corruption, mismanagement and waste of public funds, and to assess the likelihood of detecting and mitigating various corruption risks by different actors in the system. More detailed information about the use of the OECD Public Integrity Indicators can be found at the start of the relevant following sections of the report.

Overall, a broader evidence base and improved use of evidence would be more useful for the problem analysis in the NACS. But it could also support the strategic prioritisation of the highest-risk corruption areas and make a stronger case for the six intervention areas of the action plan (Table 2.3).

Table 2.3. Six intervention areas of the Action Plan

Intervention areas of the Action Plan	
1	Transparency
2	Legislative integrity
3	Judicial integrity
4	Integrity of public sector organs
5	Societal integrity
6	Action against international bribery

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

International standards emphasise that a key to the success of any anti-corruption strategy is a robust diagnostic stage which, as set out above, can involve political economy analysis, stakeholder mapping, corruption risk assessments and other evidence gathering. (OECD, 2020[24]) (G20, 2021[3]) (UNODC, 2015[4]). The OECD Public Integrity Indicator 1.3.2 "Evidence-based problem analysis and use of diagnostic tools" reflects this international good practice and helps countries to develop an evidence-based problem analysis and use diagnostic tools to build upon such diagnosis (OECD, 2023[2]). With these best practices in mind, the NACS could benefit from a clearer connection between the problem analysis and the priority areas for action set out in the intervention areas, as other OECD countries have done (for an example see Box 2.3).

Box 2.3. Setting a strategic approach to integrity and anti-corruption in the United Kingdom

The United Kingdom Anti-Corruption Strategy 2017-2022 seeks to provide a long-term framework for ensuring a safer, more prosperous and more confident future based on concerted UK action against corruption. The strategy is informed by a detailed analysis of key corruption risk areas, based on data from the following sources:

1. Data of sociological surveys, such as the Ipsos MORI Veracity Index, 1993-2016, the Control Risk 2015 International business attitudes towards corruption, and the PWC 2016 Annual Global CEO Survey.
4. Results of the implementation of the 2014 UK Anti-Corruption Plan.
5. Analysis of the impact of anti-corruption laws in the public and private sectors, based on the results of the London Anti-corruption Summit of 2016.
6. Political and legal factors, such as the effects of Brexit or the leading role of the United Kingdom on pushing for a beneficial ownership transparency agenda, which details the efforts of the United Kingdom to implement international standards on anti-corruption.

Based on this situation analysis, the Strategy identifies priority areas for anti-corruption, including strengthening the integrity of the United Kingdom as an international financial centre; reducing the insider threat in high-risk domestic sectors; promoting integrity across the public and private sectors; reducing corruption in public procurement and grants; improving the business environment globally; and working with other countries to combat corruption.

Source: UK HM Government (2017[25]), *The United Kingdom Anti-corruption Strategy 2017-2022*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/667221/6_3323_Anti-Corruption_Strategy_WEB.pdf.

Reviewing sections 2, 3 and 5 in the ways set out above could help to make a stronger case for the NACS's strategic objectives, the approach to prioritisation set out in the intervention areas, and, likewise, the grouping of the six intervention areas presented in the Action Plan. It would ensure coherence between the problem analysis and the proposed strategic approach for improvement, and would help readers and implementing authorities to understand the underlying logic and theory of change within the NACS.

2.2.3. Set out how the NACS complements other strategies to address gaps, enhance coherence and avoid duplication in Hungary's anti-corruption framework

Hungary committed to ensuring coherence between the NACS and the Strategy Against Fraud and Corruption for European Union Funds adopted by the Hungarian Government on 15 November 2022. To that end, the current version of the NACS was built based on the Strategy Against Fraud and Corruption for European Union Funds, in terms of form and content.

- In terms of form, both strategies follow the same general structure – introduction, situation analysis, objectives, intervention areas, mechanisms to ensure implementation and action plan.
- In terms of content, the objectives of the two strategies are aligned overall. In fact, the NACS in its strategic objective 4.2.6 on the protection of the European Union's financial interests successfully reflects the strategic objective of the Strategy Against Fraud and Corruption for European Union Funds to effectively protect the financial interests of the European Union and Hungary. In addition, the action plan of the Strategy Against Fraud and Corruption for European Union Funds includes an activity (activity 2) consisting of reviewing the national anti-corruption strategy.

These strategies have different, though complementary, purposes. The Strategy Against Fraud and Corruption for European Union Funds aims to promote integrity, efficiency and transparency in the spending of European Union funds. The NACS aims to enhance awareness and responsibility regarding the fight against corruption across the whole of society. The NACS recognises that both strategies must be implemented in a co-ordinated way and potential synergies exploited to achieve their objectives. To that end, the NACS includes an action (Action 5.4) which commits to continuously scrutinise the co-ordination of the implementation of the actions of the Strategy Against Fraud and Corruption for European Union Funds and the NACS. This responsibility is awarded to the Minister of Regional Development, the Ministerial lead on EU funds.

Nevertheless, the alignment of the strategic objectives of the two strategies should be reflected in the design and implementation of their respective measures. To this end, certain NACS measures could be fine-tuned in accordance with the Strategy Against Fraud and Corruption for European Union Funds. In particular:

- Action 5.1, which commits to the development of a proposal for mitigating integrity risks relating to major investment projects financed with public funds, could mention that the proposal will be based on the risk analysis and risk management processes described in the Strategy Against Fraud and Corruption for European Union Funds;
- Action 5.9, which commits to the assessment of the categories of cases regarding which automation and electronic administration can be applied more extensively to further mitigate risks of corruption in administrative processes, could include administrative processes related to the use of European Union funds. This would be in line with measure 12 of the Action Plan of the Strategy Against Fraud and Corruption for European Union Funds about the continuous monitoring of the provisions regarding the data to be recorded and stored electronically for each operation;
- Action 5.11, which commits to the State Audit Office (SAO) paying particular attention to the regularity of the use of supports and the execution of investment projects as well as the performance of tasks by budgetary organs and state / local government companies providing for the application of the law by authorities and public services, could explicitly mention that the SAO in carrying out its audits will also analyse fraud risks. This is in line with the SAO's role as an institutional actor involved in the implementation of the Strategy Against Fraud and Corruption for European Union Funds.

In turn, the Action Plan of the Strategy Against Fraud and Corruption for European Union Funds requires in Activity 2 that the Strategy is reviewed in parallel to the development of the NACS. Therefore, some measures of the Strategy Against Fraud and Corruption for European Union Funds could be refined to better reflect the developments envisaged in the NACS. In particular, measures 8 and 10 of the Action Plan of the Strategy Against Fraud and Corruption for European Union Funds about the creation of a reporting interface on the website www.palyazat.gov.hu and the development of a public interest reporting system could be aligned with Action 5.5 of the NACS which commits to developing more effective measures for the protection of whistleblowers in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law. In practice, the two reporting systems[1] provided for in the Strategy Against Fraud and Corruption for
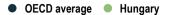
European Union Funds should provide reporting persons with the same protection measures envisaged under Action 5.5. of the NACS.

As mentioned above, the two strategies are different in content but together they aim to form a harmonised strategic framework. To ensure coherence, Hungary could undertake its own analysis before finalising the NACS to assess gaps and avoid duplication from an operational point of view which could impede implementation.

Hungary said in consultations that it also intends to assess how the NACS and AP will complement other strategies. This will include a comparison with measures to increase the level of competition in public procurement (2023-2026) based on the RRP, Hungary's Convergence Programme 2022-2026, which aims to create a competitive business and tax environment and to stimulate investment by the Government, and Hungary's National Reform Programme 2023, which emphasises the anti-corruption strategy and focuses on transparency in public procurement and fair competition. Hungary will also include its National Framework Strategy for Sustainable Development (2012-2024), which states that it is essential to fight corruption, ensure compliance with standards, create stability in the state regulatory system affecting socio-economic relations, and strengthen the predictability of governance. The NACS should clearly set out the results of this analysis to show how the NACS relates to these other strategies to address gaps and build Hungary's anti-corruption framework.

Additionally, the NACS should build on the 2020-2022 National Anti-corruption Strategy and the progress derived from its implementation. The OECD Public Integrity Indicators provide a measurement of this previous strategic framework. Figure 2.1 shows the indicators of the OECD Public Integrity Indicator for Principle 3 of the OECD Recommendation on Public Integrity (Strategy) for Hungary and the OECD average, following criteria established by the OECD Working Party of Senior Public Integrity Officials (SPIO). In this sense, Figure 2.1 shows that the 2020-2022 National Anti-corruption Strategy of Hungary follows good practice with respect to "coverage of the strategic framework", "evidence-based problem analysis and use of diagnostic tools", "quality of strategy", "adequacy of implementation structures and reporting", "implementation of activities" and "evaluation practices". In all these indicators, and in "financial sustainability", Hungary scored above the OECD average. However, the 2020-2022 National Anti-corruption Strategy could have been strengthened when it comes to "consultation in practice". It could be worth reflecting (perhaps in the relevant paragraphs of Section 2.1 in the current draft of the NACS) on how the current draft of the NACS builds on the strengths and weaknesses of the previous Strategy and therefore develops Hungary's ability to fight corruption. Doing so may help to demonstrate a more sustained strategic approach to combating corruption, recognising that anti-corruption work takes time and capabilities often develop gradually. As Civil Society Organisations have set out to the Anti-Corruption Task Force, the previous Strategy provides a good opportunity for Hungary to develop benchmarks which will help implementation of the new NACS and the improvement of Hungary's anti-corruption framework to be tracked (for benchmarking and monitoring implementation through indicators see Sections 3.3.1 in Chapter 3 and 4.2.1 in Chapter 4).

Figure 2.1. Quality of strategic framework of the 2020-2022 National Anti-corruption Strategy of Hungary

Note: OECD countries used to calculate the OECD average include Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom, and the United States.
Source: OECD (2023[2]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

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Note

1 The reporting systems on the websites www.palyazat.gov.hu and www.antilop.hu, as described in measures 8 and 10 of the Action Plan of the Strategy Against Fraud and Corruption for European Union Funds.

3 Assessing the content of Hungary's NACS 2023-2025 and its Action Plan

This chapter examines the content of Hungary's NACS 2023-2025 and related action plan. It assesses the presentation and content of the commitments in the NACS and action plan and suggests objectives would be more realisable in practice if they were better linked to actions, outputs and milestones. It also explores the expectations placed on responsible authorities through the NACS and action plan and offers recommendations for clarifying these expectations to improve implementation. And it suggests that certain actions could be clarified and others added to improve the coverage of the NACS and action plan.

3.1. Introduction

As established in the *Recommendation on Public Integrity* and laid out in the *Public Integrity Handbook*, strategic objectives are the guiding stars for those responsible for executing the strategy, and are used to form indicators and targets on the basis of which the strategy will be evaluated (OECD, 2017[1]) (OECD, 2020[2]). Objectives must be aligned with the overall vision established for public integrity, as well as specific sector policy. Strategic objectives, from the general to the specific, directly link the findings of the problem analysis and align with indicators, their baselines (i.e. those of the indicators) and targets. Major integrity risks identified in the problem analysis should be addressed through primary objectives, which then cascade down to more specific secondary objectives, actions, indicators, milestones and targets.

This section looks at how the Medium Term National Anti-Corruption Strategy for 2023-2025's (hereinafter referred to as NACS) goal and objectives were defined, and if they are clear and linked to the analysis of the situation / problem analysis included in sections 2 and 3 of the NACS. It also assesses whether the activities and outputs detailed in the AP of the NACS translate the objectives of the strategy into actionable measures that are likely to produce the desired changes, and provides recommendations to strengthen the content of both the NACS and the AP within the framework of Hungary's commitments in the remedial measures and RRP.

3.2. Clarifying the goal and objectives of the NACS

As mentioned above, Hungary committed in remedial measure No.3 (Strengthening the Anti-Corruption Framework) and the RRP that a key priority of the NACS shall be the improvement of mechanisms ensuring the prevention, detection and correction of fraud and corruption, including in the public procurement system, and the strengthening of systems addressing the risks of conflict of interest. In this context, Hungary noted that special attention shall be given to the strengthening of the institutional and normative framework for the fight against high level corruption through enhancing the transparency of the work of public authorities including at a senior political level.

Through remedial measure No.3 and the RRP, Hungary committed that the Action Plan shall include specific actions aimed at:

i)   strengthening the repression of corruption

ii) strengthening administrative control procedures independent from investigations by law enforcement authorities (including the verification, control and sanctioning mechanisms) related to asset declarations (including specific actions to introduce no later than 1 October 2023 an effective, proportionate and sufficiently dissuasive sanctioning regime, including administrative and criminal sanctions with regard to serious violations related to obligations under the asset declaration system)

iii) developing efficient internal mechanisms to promote and raise awareness of integrity matters in the government (including by general training for all staff and confidential counselling for senior executive and political level)

iv) reviewing the application of the Code of Professional Ethics by the Hungarian Government Official Corps as well as practices of local governments to identify and promote best practices regarding contacts with lobbyists and preventing conflict of interest

v)   adopting, making publicly available and start applying a code of conduct for persons with top executive functions (as defined by GRECO), providing clear guidance on integrity matters (including in relation to a) contact with lobbyists, b) post-employment restrictions [addressing the practice of "revolving doors" between positions in the public and private sectors] and c) relatives' employment and the promotion for employment [nepotism])

vi) with an immediate deadline for implementation of any residual actions stemming from the Government Decision 1328/2020 (VI. 19.) not implemented by 30 June 2023.

According to the draft NACS, the goal of the draft strategy is to "*Enhance awareness and responsibility regarding the fight against corruption across the whole of society*." To achieve this goal, the NACS provides a series of objectives laid out in its Section 4 and summarised below in Table 3.1.

Table 3.1. Objectives of the NACS 2023-2025

Objectives	Sub-objectives
Objective 1. Strengthening of individual awareness and responsibility regarding the fight against corruption	Setting out, and putting into practice, ethics and conduct requirements tackling current challenges
	Systemic and effective enhancement of knowledge and awareness regarding integrity
	Development of competences required for making, and adequately managing, public interest reports
Objective 2. Strengthening of organisational awareness and responsibility regarding the fight against corruption	Systemic and effective analysis and management of integrity risks
	Efficient and effective management of situations involving conflicts of interest or lobbying
	Operation of an effective and efficient asset declaration system
	Ensuring adequate functional autonomy in the operation of control mechanisms
	Strengthening the system of whistleblower protection based on a life-situation approach
Objective 3. Further strengthening of state-level awareness and responsibility regarding the fight against corruption	Stepping up co-ordination of State action in curbing corruption
	Effective action against corruption under criminal law
	Broadening and improving access to information of public interest
	Ensuring effective social dialogue in the preparation of public decision-making
Objective 4. Strengthening of economic awareness and responsibility regarding the fight against corruption	Strengthening competition in public procurement
	Strengthening of fair market competition and fair treatment of market participants
	Strengthening the transparency of ownership structures
Objective 5. Strengthening of international awareness and responsibility regarding the fight against corruption	Separate and prioritised handling of international bribery in the assessment of corruption risks and in the investigation of cases
	Effective awareness raising and knowledge transfer regarding international bribery
	Strengthening of international judicial co-operation in cases of international bribery
Objective 6: Protection of the European Union's financial interests	[The NACS does not include sub-objectives for this objective]

Source: Draft Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

A meaningful and realistic strategy is hard to develop without a robust problem analysis (OECD, 2020[2]). Equally important though is that the design process for the strategy takes into account the findings of the problem analysis, and that strategic objectives are prioritised systematically on the basis of evidence. As set out in Chapter 2 of this report, there is scope to improve the evidence base, risk assessments and systems analysis in the NACS. But the NACS could also benefit from Hungary making a stronger connection between the problem analysis and the objectives set out in Section 4 of the NACS. This means going beyond the normative statements which underpin many of the NACS's objectives and making an explicit connection with the evidence base. For instance, objective 4.2.1.1 suggests that 'gaps in the available guidance need to be filled'. It would be helpful to link this statement back to an analysis of the gaps in the guidance, setting out what the gaps are, why they are problematic, or what risk to integrity the gaps pose. Likewise, in objective 4.2.2.5 relating to whistleblower protections, it could be clearer what evidence suggests current reporting mechanisms leave 'room for improvement' and what the risks are in the current system. Or at objective 4.2.4.1, it is not clear how the risk to the misuse of funds in public procurement has been measured and quantified, or what solutions the evidence suggests would be most relevant.

To ensure further alignment of the NACS with the commitments of remedial measure No. 3 and the relevant milestones set out in Hungary's Recovery and Resilience Plan, the NACS strategic objectives could benefit from certain additions. For example, objective 3 could include a sub-objective on effective action against high level corruption, as per the commitment in the remedial measures and RRP to give this issue special attention. Specific actions of the AP could also be further fine-tuned in line with these commitments. Hungary committed to include in the AP actions aimed at developing, among others, confidential

counselling on integrity matters at senior executive and political levels. This is reflected in the NACS strategic sub-objective 4.2.1.1. on setting out, and putting into practice, ethics and conduct requirements tackling current challenges, which recognises that providing guidance regarding ethical dilemmas is useful in shaping ethical behaviours. However, the action plan itself does not include an action about establishing avenues for confidential counselling at senior executive and political levels. Also, Hungary's commitment to adopt and publish a code of conduct for persons with top executive functions providing clear guidance on integrity related matters, including contacts with lobbyists, post-employment restrictions, as well as nepotism[1] is consolidated in Actions 3.1 and 3.2 of the NACS Action Plan. These refer to the development of codes of conduct and codes of ethics for persons holding a top executive officer position, their advisors, Prime Ministerial Delegates and Members of the National Assembly, as well as employees of the Office of the National Assembly. While the description of the actions seems to cover the requirements regarding post-employment restrictions and nepotism, the element of regulating contacts with lobbyists is currently missing. It should also be noted that the commitment in the AP to develop separate codes of conduct for these different groups better reflects the separation of powers and their distinct roles and responsibilities than the wording in the remedial measure and RRP which implies they will be subject to a single code of conduct. Officials in the Hungarian Government confirmed to the OECD that different codes of conduct would be developed for each group.

3.2.1. Link each objective with the corresponding actions, outputs and milestones in the Action Plan to show how the objectives will be realised through relevant activity

Clear strategic objectives require previous risk assessments to identify areas in which resources and efforts should be allocated first. This prioritisation needs to take into consideration the context and particularities of each country while focusing on the more vulnerable areas. Moreover, evidence-based strategic objectives are more likely to have meaningful impact in national public policy. Table 3.2 provides an overview of the minimum coverage areas of primary strategic objectives to mitigate public integrity risks, according to the OECD Public Integrity Indicators.

Table 3.2. Minimum coverage areas of primary strategic objectives to mitigate public integrity risks

Primary strategic objectives must be first-level objectives, must be adopted at the level of the Government (Council of Ministers) and must be enforceable

OECD Public integrity indicator number	Criteria to fulfill	Area covered
3.1.1	Strategic objectives are established for mitigating public integrity risks in human resource management, including violations of public integrity standards.	Human Resource Management
3.1.2	Strategic objectives are established for mitigating public integrity risks in public financial management, including reducing fraud and financial mismanagement.	Financial Management of Public Funds
3.1.3	Strategic objectives are established for mitigating public integrity risks in internal control and risk management.	Internal Control
3.1.4	Strategic objectives are established for mitigating public integrity risks in public procurement.	Public Procurement
3.1.5	Strategic objectives are established for reducing fraud and other types of corruption across the public sector.	Fraud
3.1.6	Strategic objectives are established to mitigate public integrity risks in the private sector, public corporations, state-owned enterprises, or public-private partnerships.	Private Sector, Public Corporations, SOEs, and PPPs
3.1.7	Strategies for any of the following sectors have at least one primary objective aimed at mitigating public integrity risks: (a) infrastructure, (b) housing, (c) health, (d) education, (e) taxation, (f) customs.	Infrastructure, Housing, Health, Education, Taxation and Customs

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 1.
Source: OECD (2023[3]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

Strategies should articulate a clear vision, explaining envisaged outcomes, objectives and how planned activities will contribute to the achievement of that vision. A coherent and overarching theory of change is increasingly recognised as pivotal to anti-corruption interventions and becomes fundamental to assess outcomes within monitoring and evaluation (OECD, 2020[2]); (G20, 2021[4]). A good theory of change requires a clear vision and goals, a strong problem identification, the interventions and the outcomes that are needed to effect change and the underlying assumptions that are necessary for these outcomes to materialise (UNDG, 2017[5]).

The current draft's inclusion of objectives at individual, organisational, state and international levels (Objectives 1, 2, 3 and 5 respectively), along with objectives relating to the wider economy (Objective 4), is a useful framing and offers scope for a wide-ranging set of actions which could match the NACS's goal of a 'whole-of-society' approach to fighting corruption.

However, the measures of an action plan should logically lead to the fulfilment of the objectives of a strategy. The NACS could make clearer how the goal and objectives, via prioritisation in the intervention areas in Section 5, will be achieved by the specific actions set out in the AP. Officials in the NPS said in consultations with the OECD that they would improve this coherence through annexing an implementation matrix in the NACS and AP. This matrix would connect the relevant parts of the problem analysis with the related objectives, intervention areas, and actions, and will include space for an assessment of the final result following implementation. The addition of this matrix sounds positive, but it should supplement clearer framing and more commentary throughout the NACS which demonstrates how the different sections build on each other, making it easier to understand the underlying logic and theory of change in the NACS.

Two of the intervention areas set out in Section 5 of the NACS do not appear in the AP with corresponding actions (immunity, and the integrity of public procurement and economic competition). Officials in the Ministry of Justice and NPS suggested in consultations that, although actions were not included in the AP for these intervention areas, work was being undertaken in separate workstreams elsewhere in the Hungarian Government. Hungary could make this clearer in the NACS, as the current drafting makes it seem that although these intervention areas have been identified as priorities no work is being done in relation to them. For instance, reference could be made to the work which Hungary is currently undertaking with the OECD to increase competition in public procurement and develop a performance measurement framework, and a commitment could be included to implement the results of that work.

It could also be helpful for the naming of the intervention areas in the Action Plan to reflect the nature of the actions which sit under them. This could be achieved by transforming the titles of the sections included in the AP (the six intervention areas listed in Table 2.3 of Chapter 2) into objectives. Table 3.3 presents suggestions for how these objectives could be drafted.

Table 3.3. Examples of improved wording of intervention areas as objectives

Current wording of the intervention area	Improved wording as an objective
Transparency	Strengthen and enhance transparency of the asset declaration system for elected and appointed officials of the Executive Branch, executive officers and certain priority positions of statutory professional bodies.
Legislative integrity	Provide guidance and raise awareness on public integrity to elected and high-level appointed public officials in the Legislative Branch.
Judicial integrity	Provide guidance and raise awareness on public integrity to judges, prosecutors and law enforcement personnel.
Integrity of public sector organs	Strengthen public integrity in public sector organs (Note: the measures in this area are quite broad, so it is difficult to narrow down the objective)
Social integrity	Increase awareness on public integrity amongst citizens and provide guidance on public integrity from a whole-of-society perspective.
Action against international bribery	Provide guidance and develop capacities within the public and private sectors to mitigate the risks associated to international bribery.

Source: OECD, based on NACS and Action Plan.

3.3. Ensuring actions produce the change they are intended to

Once the strategic objectives are established and indicators and targets are set, the next step is to plan the specific activities needed so the objectives can realistically be met (this is the action plan) (OECD, 2020[2]). Presentation of the action plan should be kept simple, and also enable readers from outside the administration to identify at first glance answers to key questions such as, "What are the actions?", "Who will be responsible for them?", "When will they happen?" and "How will their impact be measured?" (Hoppe, 2013[6]). Even in the seemingly simple case of whether a new code of conduct has to be drafted, breaking the process into a series of steps (e.g. drafting the code, consultations, submission for approval and dissemination) could be helpful.

To develop effective and efficient action plans, the activities in it should have direct reference to the primary strategic objectives established by government. Thus, primary strategic objectives based on thorough risk assessments, require action plans with measures and activities oriented to mitigate integrity risks and achieve such strategic objectives. Table 3.4 below presents the key criteria for developing adequate action plans in line with the OECD Public Integrity Indicators.

Table 3.4. Criteria to develop adequate action plans

OECD Public integrity indicator number	Criteria to fulfill
3.5.1	For each strategy, there is a central co-ordination function responsible for co-ordinating the implementation, monitoring, reporting, and evaluation of the action plan.
3.5.2	All public integrity strategies have an action plan in force.
3.5.3	All action plans have dedicated outcome-level indicators, baseline targets and a list of activities that are all directly linked to a strategic objective currently in force.
3.5.4	All action plans identify lead organisations at least for each objective.
3.5.5	All action plans contain a section specifying the monitoring, reporting, and evaluation arrangements.
3.5.6	All action plans reference administrative data sources from existing public registries.
3.5.7	At least one action plan includes data sources from staff, household, or business surveys.
3.5.8	At least one action plan includes activities to collaborate with institutions at the subnational level.
3.5.9	All action plans are published as a minimum on the website of the responsible body.
3.5.10	Monitoring reports are published for all action plans, at least once a year, and publicly available no later than 3 months after the defined reporting schedule.
3.5.11	All monitoring reports report on progress against pre-defined indicators and targets in the action plan.
3.5.12	All monitoring reports present the rate of implementation for activities in the action plan.

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 5.
Source: OECD (2023[3]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

This section presents recommendations to improve the measures proposed in the AP of the draft NACS. More specifically, this section looks both into the form (how they are drafted) and content (what they propose) of the measures and how effective they may be. It also suggests some additional measures which could be included in the AP, or ways to develop existing actions, based on the European Commission's recommendations in its report *The rule of law situation in the European Union* and Hungary's RRP (European Commission, 2022[7]). And it sets out how Hungary could better define indicators to aid implementation of the AP, and suggests some specific indicators for certain priority actions.

3.3.1. The Action Plan could be more detailed, setting out clearer expectations on implementing authorities and clarifying timings and delivery milestones, outputs, and indicators for tracking progress

The current version of the AP of the NACS presents a series of measures associated with each of the intervention areas listed in Table 2.3, Chapter 2. These measures are then assigned to one or more responsible institutions, mostly, within a concrete time frame.

However, in its current version, the AP could provide more detail in terms of the intermediary steps and milestones required to achieve the objectives and facilitate an effective co-ordination and monitoring of measures. This could be achieved through a more in-depth planning exercise to envisage which intermediary steps are required to realise each action.

Some actions in the AP set a target completion date of 'immediately' (for instance, Actions 1.1 or 5.2). This seems to be based on the commitment in Hungary's Recovery and Resilience Plan to close off the remaining actions from the 2020-2022 Anti-Corruption Strategy. The commitment in the RRP to fully implement the outstanding actions from the last strategy is positive. But authorities will be clearer about what is being expected from them, and a more effective assessment of whether these commitments have been satisfactorily implemented could be made, if Hungary specified a date for implementation. Similarly, several actions' implementation is set as 'continuous' (for instance Actions 3.2b, 4.1-4.4, or 5.4). In these cases, implementation could be more effective if Hungary set milestones for delivery and for checking implementation and ensuring adequate progress is being made.

For instance, Action 3.2 of the AP could be broken-down into several intermediary steps, including:

- Elaborate codes of ethics for persons holding a top executive officer position, their advisors, Members of the National Assembly, and the employees of the Office of the National Assembly.
- Adopt and publish codes of ethics for persons holding a top executive officer position, their advisors, Members of the National Assembly, and the employees of the Office of the National Assembly.
- Conduct awareness-raising activities on the following issues: conflicts of interest, acceptance of gifts and other benefits, restrictions following the termination of the employment relationship and the employment of their relatives as well as the recommendation of their relatives for employment.

In the current version of the AP, several measures are drafted "*The Government instructs…*". On the one hand, this raises the question of when a measure can be considered as completed – once the Government has instructed or once the implementing agency has managed to deliver the activity foreseen in the AP, affecting both the implementation and monitoring of the NACS. On the other hand, this wording makes it less clear to readers of the AP how involved stakeholders were in the development of the NACS or what level of ownership the entities responsible for the implementation of the different measures may have. Similarly, in the current version of the AP, some measures are drafted "*The Government invites…*". In these cases, it is not clear what the obligation of the invitee is to implement the measure proposed in the AP, and therefore how delivery of the action would be measured (for example, measures 4.1-4.3, 5.7, 5.10 and 6.9).

Some actions in the AP are drafted "*[x organisation] to make a proposal for…*". This language may make sense in instances where proposed action is preparatory for work which will be longer-running than the reporting period of the strategy. But it can also make it unclear whether the action is to prepare a proposal or to then also deliver the activity the proposal relates to (for example, measures 3.1, 3.2, 5.1, 5.5, 5.12, 6.12). It may be clearer to readers and to the authorities responsible for implementing measures if the wording in these actions clarifies whether the development of the proposal is the intended action, or whether the work relating to the proposal must be delivered as well. If the intended action is simply to deliver a proposal, these actions could benefit from more clarity around what outcome the proposals are

intended to produce (as a proposal by itself will not help to improve integrity). Likewise, several actions ask implementing authorities "*to assess*" a particular issue or policy proposal (for example, Actions 2.2, 2.3, 5.2, 6.4, 6.6, 6.7, 7.4). Requiring these assessments is a useful technique for ensuring a solid evidential and planning basis for future work. However, it is not always clear what these assessments will lead to. These actions could increase the potential for impact if there was a clearer sense of what outcome the assessments were aiming to produce.

The draft AP could also provide more information relating to the results and outputs of proposed measures, the indicators which will be used to measure implementation, and a risk assessment to aid implementation. The results and outputs refer to the desired changes or products which a given measure will produce upon successful implementation. Clarity about the desired results and outputs then informs the indicators needed to track the implementation of the strategy and determine whether a measure was successful or not.

Conducting risk assessments for the proposed measures, including specific information about financing for a given action, could also allow responsible institutions to mitigate potential risks that may otherwise hinder the implementation of the NACS. Risk assessments should not be isolated, one-time activities, but rather they need to be updated periodically.

The NACS and AP could benefit from identifying indicators and establishing their baselines, milestones and targets. This was a key point made by the civilian members of the Anti-Corruption Task Force in the OECD's fact-finding conversations with that body. Indicators should reflect the strategic objectives, some of which may be part of the strategy document and others part of the action plan. Indicators, and in particular their baselines, milestones and targets, are often neglected in the strategy design phase and developed too late in the process to be useful. This leaves those charged with implementing the strategy without a proper roadmap for which concrete results should be achieved and how. It also makes it difficult for the government as well as non-state actors to assess the level of success, progress towards the strategic objectives, and necessary corrections, as needed.

The goal of indicators is to support comparability over time. Benchmarking can allow governments and non-state actors to assess the effectiveness of different interventions in the strategy and in other parts of the public integrity system. In a national context, such benchmarks can be established using a before-and-after approach, if indicators are established and data collected well in advance of implementing the strategy, or a with-and-without approach where the performance of a comparison group is measured alongside the treatment group (OECD, 2020[2]).

Although there are no universal principles to be followed when defining indicators, as they depend on the purpose they serve and the nature of the policy or programme they seek to monitor, Hungary could consider the CREAM approach (Box 3.1) to help it develop indicators for the measures included in the NACS and AP. In addition, some suggestions for indicators which could provide a baseline and allow for monitoring and evaluation, and the sources of evidence that they could be developed from, are set out in Section 4.2.1, Chapter 4.

> ### Box 3.1. The CREAM approach for developing indicators
>
> The "CREAM" of selecting good performance indicators is essentially a set of criteria to aid in developing indicators for a specific project, program, or policy (Schiavo-Campo 1999, p. 85). Performance indicators should be clear, relevant, economic, adequate, and monitorable. CREAM amounts to an insurance policy, because the more precise and coherent the indicators, the better focused the measurement strategies will be.
>
> - Clear: Precise and unambiguous
> - Relevant: Appropriate to the subject at hand
> - Economic: Available at a reasonable cost
> - Adequate: Provide a sufficient basis to assess performance
> - Monitorable: Amenable to independent validation
>
> If any one of these five criteria are not met, formal performance indicators will suffer and be less useful. Performance indicators should be as clear, direct, and unambiguous as possible. Indicators may be qualitative or quantitative.
>
> Source: World Bank (2004[8]), A Handbook for development Practitioners: Ten steps to a results-based monitoring and evaluation system, https://www.oecd.org/dac/peer-reviews/World%20bank%202004%2010_Steps_to_a_Results_Based_ME_System.pdf.

3.3.2. Some measures in the Action Plan could be drafted more clearly to ensure they are actionable, and some measures could be added to improve coverage and make sure the Action Plan is effective

Transparency

Table 3.5. Current measures in the Action Plan: Transparency

	Activity	Responsible	Completion
2. Transparency	2.1 The Government instructs the Minister of Justice to create – with the involvement of the Minister heading the Cabinet Office of the Prime Minister – possibility of filling out and managing asset declarations electronically, in a digital form, across the entire public sector.	Minister of Justice Minister heading the Cabinet Office of the Prime Minister	31/12/2025
	2.2 The Government instructs the Minister of Justice to assess the possibility of extending the asset declaration obligation regarding the executive officers and certain priority positions of statutory professional bodies.	Minister of Justice Minister heading the Cabinet Office of the Prime Minister	31/12/2025
	2.3 The Government instructs the Minister of Finance to assess – with the involvement of the Minister of Justice – duplications between procedures under taxation and criminal proceedings among matters falling within the competence of the National Tax and Customs Administration along with the possibility of eliminating double evaluation resulting from the procedures, in order to improve the transparency of the procedural systems.	Minister of Finance Minister of Justice	31/12/2024

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

The *Recommendation on Public Integrity* makes clear the importance of setting clear and proportionate procedures to help prevent violations of public integrity standards and to manage actual or potential conflicts of interest (OECD, 2017[1]). The inclusion of actions in the NACS and AP on asset declarations is therefore commendable. The focus in Action 2.1 on digital asset declarations and the extension of asset

declaration obligations to new priority positions in Action 2.2 both seem positive and could increase scope for greater transparency and better analysis of trends in asset declaration data.

However, there is scope to develop these measures further. The OECD *Public Integrity Handbook* sets out that disclosure is among the key mechanisms for strengthening accountability and safeguards against undue influence on policymakers and policymaking processes (OECD, 2020[2]). Moreover, implementation of asset and interest disclosure mechanisms helps detect and prevent unethical behaviours and abuse of power in the public service, as well as risks of money laundering and corruption. The OECD Trust Survey makes clear why preventing abuse of power in this way is so important, concluding that countries with lower levels of perceived corruption among public employees have in general higher levels of trust in national government (OECD, 2022[9]).

Asset declarations encompass the disclosure of pecuniary interests and are intended as a post factum verification process of unjustified wealth and illicit enrichment. An effective asset declarations system should avoid cumbersome filing procedures, include comprehensive disclosure forms and ensure enforcement through robust controls and verifications. Currently, the compilation process of asset declarations as described in Act CLII of 2007 (covering the staff of the enlisted public bodies) and XXXI of 2022 (regulating the asset declarations of high-level public officials and members of the Parliament) is quite complicated. For example, various institutions are declared responsible for managing asset declarations depending on each category of declarant. The asset declarations of the President of the Republic are managed by the Head of the Office responsible for economic affairs, while the Secretary General of the Office of the Commissioner for Fundamental Rights collects the asset declarations of Commissioner for Fundamental Rights and his or her deputies. Similarly, the asset declarations of members of the National Assembly are compiled by the Committee on Immunity. The list of declarants and managing institutions is extensive, however the Act does not indicate a dedicated oversight body for verifying and reviewing the submitted asset declarations. In some cases, the Integrity Authority may verify the asset declarations of high-level position holders and public officials prescribed by law, according to Section 5(6) and (7) of Act XXVII of 2022. The Integrity Authority's verification may not extend beyond the scope of its mandate related to the use of EU funds. In this regard, it remains unclear what happens with the asset declarations, and information which do not fall under the mandate of the Integrity Authority and whether there is a central oversight body in place to fulfil this function. To address these shortcomings, this section of the Action Plan could include an action for a clear legislative framework that establishes the verification mandate of a central oversight body, such as the Integrity Authority or National Tax Authority, which already has a mandate to pursue illicit enrichment procedures upon the initiative of the public body to which the asset declaration is submitted (§14(6) of Act CLII of 2007). This mandate should equip the central oversight body with sufficient powers and resources to perform its duties, including access to government registers and databases and the possibility to request access to information from public and private entities and abroad (World Bank/UNODC, 2023[10]).

More than facilitating the electronic submission and management of asset declarations of public officials, the new system should seek to streamline the processes for submission, review and publication. The electronic system should aim to simplify the submission process by making the declaration form more user-friendly, reduce the number of mistakes made in the forms, facilitate further analysis and verification of declarations, and improve data management and security. In fulfilling these objectives, electronic filing systems ultimately help raise the level of compliance with submission requirements (Kotlyar and Pop, 2019[11]). To this end, Action 2.1 on the creation of an electronic system for filing and managing asset declarations could be complemented by the development of an automated risk analysis framework. The automated risk analysis is both a prioritisation and detection tool. It helps prioritise the verification of numerous declarations. In addition, it can be used to better detect violations following the risk indicators identified by the analysis. The automated risk analysis helps to remove or limit the discretionary decision-making concerning the targets of verification. Some general considerations, which could be examined when developing the risk analysis framework are presented in Box 3.2.

Box 3.2. Developing a Risk Analysis Framework: General Considerations

- Use of a risk-based approach to trigger and prioritise verification when inherent risks are found in the declarations form, such as the position or duties of the declarant. Systems which automatically trigger the verification on formal grounds (e.g. late submission) are ineffective as they overburden the verification agency. This is especially relevant for systems where the number of disclosures is substantial and not matched with the resources to verify them.

- When the number of mandatory verifications is substantial, the verification agency has to prioritise its work by focusing on high-risk declarations. Such prioritisation should be transparent and based on clear criteria limiting discretionary decision-making. The system may categorise declarations submitted by certain top officials as high-risk by default. This will give credibility to the system and avoid focus on low-level officials or petty inconsistencies.

- External signals (e.g., media reports, complaints of citizens or watchdog CSOs, referrals from other authorities) should take priority. The agency should verify them if they give rise to a substantiated suspicion of irregularity. Anonymous reports about verifiable facts should also be included.

- The verification should include IT solutions that automate certain operations. Such solutions can perform a risk analysis of each declaration, compare several declarations of the filer or compare with declarations of similar filers. Applying analytical software to the disclosure data can help to find patterns that can be then used to develop red flags for future verifications.

- Cross-checking disclosures with other government held registers and databases is an important element of the verification that effectively uses government data. The system can also automate such cross-checks and perform them shortly after the declaration is filed or even at the time of the submission.

Source: Pop and Kotlyar (2021[12]), Automated Risk Analysis of Asset and Interest Declarations of Public Officials, World Bank, https://star.worldbank.org/publications/automated-risk-analysis-asset-and-interest-declarations-public-officials.

Furthermore, this section of the Action Plan could benefit from including an action to strengthen Hungary's sanctions system when irregularities arise in the review of the asset declarations of public officials. Currently, Act XXXI of 2022 does not provide a comprehensive sanctioning regime, except for prohibitions for public officials to exercise their mandates following a violation of the Act and to receive remuneration until the submission of the declaration. Indeed, the establishment of an electronic system for the submission and management of asset declarations aiming to uncover irregularities is just the first step. The sanctioning proceedings have to follow and adequately respond to the discovered violations, as required in the OECD *Recommendation on Public Integrity* (OECD, 2017[1]). In line with the principle of proportionality, certain breaches may attract softer corrective measures, while serious violations related to asset disclosures should lead to disciplinary and criminal sanctions (OECD, 2020[2]). Notably, the section of the Action Plan on "Integrity in the public sector" includes an Action 5.12 for introducing an effective, proportional and dissuasive sanctioning system involving also administrative and criminal sanctions applying to serious violations of obligations existing on the basis of the asset declaration system. However, to improve coherence within the priority areas and measures of the NACS, it would be recommended to move Action 5.12 under the NACS section on "Transparency", which includes all other actions concerning asset declarations. In this way, this section will present a comprehensive system for asset declarations with measures for detection and enforcement of the relevant regulations.

Finally, asset declarations do not only depend on the legal obligation to report, but also the quality of the information provided by public officials. Therefore, ensuring forms are understood and filled in correctly,

and having access to guidance when needed, is a key part of the success of any system. Indeed, the act itself of completing a declaration can strengthen the integrity of public officials as they need to first self-evaluate which assets they have, and the extent to which these could undermine their responsibilities to serve the public interest. Through access to impartial guidance, officials also benefit from opportunities to discuss potential doubts and dilemmas concerning their assets and interests.

In other countries (Box 3.3), much of this information has been systematised and clearer channels established for consultation. In this regard, Hungary could complement this section with an additional action assigning the Ministry of Justice and Minister heading the Cabinet Office of the Prime Minister the responsibility to develop guidelines on filing asset declarations by use of the envisaged electronic filing system. A syllabus containing lessons learned from previous cases on incorrect declarations could be the basis of this guidance. This could consider a range of examples on financial and economic interests, debts and assets.

Box 3.3. Guidance on Asset Declarations in Brazil and the United States

Countries may provide support mechanisms to asset declarations filers through for example websites, media, designated staff, telephone-hotlines, detailed guidelines and frequently asked questions attached to blank forms.

For example, in Brazil, the Comptroller General Office manages the disclosure system for federal public officials and its website provides information on who, what, when and how to disclose as well as the legal framework on the disclosure process. The Brazilian tax authorities also publish guidelines and information online for public officials completing the declarations. For the Chamber 8 of Deputies, there are three websites that provide guidance: the first covers who, when and how to declare; the second provides a list of documents deputies must complete before assuming public office; and the third is a guidance note on how to fill in the tax form used as the financial disclosure.

In the United States, the Office of Government Ethics offers a range of support and guidance, from providing a Public Financial Disclosure Guide, to educating and training ethics officials and public financial disclosure reviewers.

Source: OECD/World Bank (2014[13]), Good practices in asset disclosure systems in G20 countries.

The OECD's Public Integrity Indicators 13.2 and 13.6 would be particularly helpful in measuring the implementation of the actions suggested above. Hungary could review these indicators and incorporate them into its monitoring and evaluation processes.

The principle of Transparency goes wider than asset declaration, however, and includes, for instance, ensuring access to information and open data (along with timely responses to requests for information), or instilling transparency in lobbying activities and in the financing of political parties and election campaigns (OECD, 2020[2]; OECD, 2023[3]). While it is fair to prioritise activity and focus in on specific aspects of transparency, it is not clear in the current NACS and action plan why these specific transparency commitments have been included in the AP and not others. This lack of clarity is in part because the transparency section in the intervention areas part of the NACS (Section 5.1) focuses mainly on past activity, rather than explaining what future activity could look like and why. In addition, given the commitment in Hungary's RRP and remedial measure No.3 for 'special attention' to be given to the strengthening of the institutional and normative framework for the fight against high level corruption through enhancing the transparency of the work of public authorities including on senior political level, more thought could be given to actions relating to improving transparency at these high levels of government.

With regards to the financing of political parties and election campaigns, the NACS, indeed, recognises that "abusive practices observed in relation to the parliamentary election campaign call for a revision of the financing of political parties". Nevertheless, the Action Plan only envisages relevant measures under Action 7.1 concerning the operation of rules on the financing of domestic political parties in the light of action

against international bribery. The rationale behind this measure is to prevent foreign economic influence or other interests from interfering with the results of elections through illegal contributions. However, regulations to ensure transparency and integrity in the financing of political parties and electoral campaigns are crucial to policymaking and go beyond averting the risks of foreign influence (OECD, 2020[2]). If the financing of political parties and electoral campaigns is not adequately regulated, money may become an instrument of undue influence and policy capture both internationally and domestically. In this regard, Hungary could include an action to strengthen the national legal framework for transparency and integrity in the financing of political parties and electoral campaigns. The specific measures should, indeed, include banning contributions from foreign states or enterprises, as currently stipulated in Action 7.1.

However, the measures should also seek to address identified loopholes in the existing legal framework and promote a level playing field. Indeed, according to observations from civil society, government parties seem to overspend and fail to sufficiently report on their resources and expenditure (K-Monitor/Transparency International Hungary, 2023[14]). Moreover, recent elections have shown that most of the political party campaigning is taking place on the social media platform Facebook, but advertising on this communication tool is not considered to fall within the legal definition of political advertising under the Electoral Procedure Act and cannot therefore be subject to audits (European Commission, 2022[7])). With the emergence of new digital platforms, hidden political advertising is an ever-evolving risk for the integrity of political financing systems. To address this risk, the Action Plan could provide an action to expand the definition of political advertising under the Electoral Procedure Act to also cover advertisements on social media platforms, including by financed third parties. Other policy initiatives may include the adoption of a Code of Conduct on online political advertising or even agreements with social media networks on information sharing and the removal of illegal campaign material (Box 3.4).

Box 3.4. Policy initiatives to address risks of hidden political advertising in new digital platforms

Before the March 2021 parliamentary elections, political parties, and social media platforms (Facebook, Google, Snapchat, and TikTok) in the Netherlands agreed on voluntary rules on online political advertising in the form of a Code of Conduct. The Code is the result of growing concerns in the country regarding both election transparency and disinformation in the digital sphere. With this initiative, Dutch political parties and online platforms jointly aim to uphold the integrity, safety and fairness of Dutch elections. The Code's core values include guarantees of voter privacy and freedom of expression, as well as providing a better level playing field for political parties in election campaigns without detracting from widely accepted marketing or campaign strategies.

The Code includes agreements to be transparent about the buyers of political advertising, its costs and the target audience. While the guidelines focus primarily on paid online political advertising, they call upon signatories to recognise the importance of unpaid content for fair and democratic online political campaigns. With regards to disinformation, political parties have committed not to posting or spreading misleading information or accepting foreign funding to pay for political advertisements. In addition, social media platforms pledge to publish key data related to online political advertising and help prevent foreign interference in elections through a ban on political advertisements purchased and run outside the European Union.

Similarly, the Latvian Anti-corruption agency (KNAB) has reached agreements with social media networks on information sharing and the removal of illegal campaign material. In 2018, KNAB also proceeded with the development of an easily downloadable and user-friendly "Report to KNAB" application which enables the anonymous reporting of potential foreign electoral interference online through photo, audio or video evidence.

Source: (European Parliament, 2021[15]); (Ministry of the Interior and Kingdom Relations of the Netherlands, 2021[16]); (IDEA, 2022[17]).

Recent findings from civil society stress the need to address corruption risks arising from the lack of regulation on third party engagement in campaigns and the abuse of public administration or government capacities (K-Monitor/Transparency International Hungary, 2023[14]). This is also a requirement of the OECD Public Indicator on the accountability of policymaking to ensure the adequacy of national regulatory frameworks on political financing (OECD, 2023[3]).To this end, regulations to strengthen the national legal framework on the financing of political parties could also ban the use of public funds and resources in favour of or against a political party.

Regulating the financing of political parties and election campaigns cannot be effective without compliance and review mechanisms to ensure transparency and integrity. In particular, an independent body that has the mandate to oversee the financing of political parties and election campaigns ensures oversight of the whole system (OECD, 2020[2]). In Hungary, this role is assigned to the State Audit Office (SAO). Nevertheless, the role of the SAO is interpreted narrowly. As a result, the SAO has in practice limited competence to control the expenditure of political parties, and only parties that have gained at least one percent on the ballot from the party list can be monitored. Corruption risks therefore exist for public funds, for example, if parties below this threshold are founded to obtain access to state subsidies, terminating their operations after the elections (European Commission, 2022[7]). To ensure the enforcement of regulations on political financing, the SAO should be able to investigate financial irregularities. This can be addressed by expanding the mandate of the SAO to cover all political parties and assuring its analytical capacity to detect irregularities through co-ordination and exchange of information between the SAO with other law enforcement bodies.

The OECD's Public Integrity Indicators 13.2 and 13.7 could be particularly helpful for monitoring the implementation of the actions suggested above.

Legislative integrity

Table 3.6. Current measures in the Action Plan: Legislative integrity

	Activity	Responsible	Completion
3. Legislative integrity	3.1 The Government instructs the Minister of Justice to prepare a proposal for a legislative environment – in view of such rules of conduct of the bodies of the European Union – that will enable the preparation of codes of conduct for persons holding a top executive officer position, their advisors, Prime Ministerial Delegates and Members of the National Assembly, as well as employees of the Office of the National Assembly.	Minister of Justice	31/12/2023
	3.2 The Government instructs the organs concerned to make proposals – with the involvement of the Office of the National Assembly – for the elaboration of codes of ethics for persons holding a top executive officer position, their advisors, Members of the National Assembly, and the employees of the Office of the National Assembly, and regarding access to their content as well as the enhancement of integrity awareness, concerning, in particular, matters of conflicts of interest, the acceptance of gifts and other benefits, restrictions following the termination of the employment relationship and the employment of their relatives as well as the recommendation of their relatives for employment.	The organs concerned	Concerning the drafting of codes of ethics 31/12/2024

Training: continuous |

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

Including commitments relating to the preparation and elaboration of codes of conduct and codes of ethics is positive. High standards set out in the legal framework clarify which behaviours are expected of public officials and provide a framework for governments to enable ethical behaviour. Setting standards of conduct that can be learned, internalised and enforced can support the creation of a shared understanding across government and among citizens. Recommendations for codes for high level appointed and elected officials are set out at Box 3.5.

> **Box 3.5. Recommendations concerning ethics codes for high level appointed and elected officials**
>
> Standards for integrity for high level appointed and elected officials can be dispersed throughout different legislative and policy tools. As such, governments can use codes of ethics to collect and clarify in one place the standards that guide these officials' behaviours and actions.
>
> Codes of ethics can be designed to be regulatory, educational, or inspirational. Regulatory codes include detailed rules and standards of conduct that are usually enforceable through a monitoring system and the imposition of sanctions. Educational codes seek to familiarise public officials with its provisions through extensive commentaries and guidelines for interpretation. Aspirational codes are a declaration of values to which practitioners should adhere to in their daily decisions. In practice, most codes combine elements of these three aspects.
>
> Independently of the method used, codes of ethics should be clear and simple, logically structured, and linked to all other related documents or legislation that make part of the broader legal and regulatory framework of public integrity for high level appointed and elected officials.
>
> In their aim to anticipate and prevent certain types of undesired behaviour, most codes of ethics describe specific actions that are prohibited to public officials. Some of the duties and prohibitions that could be included in codes of ethics for high level appointed and elected officials are a set of values that should guide the behaviour, actions and decisions and provisions on the use of information, on engaging with lobbyists and third parties, on managing and preventing conflicts of interest, on declarations of assets, on receiving and bestowing gifts and other benefits, and on pre- and post-public employment. More importantly, values and standards of conduct should ideally be defined through a participative process to ensure that the result is both meaningful and actionable for those who are expected to follow them.
>
> Source: OECD (2020[2]), *OECD Public Integrity Handbook*, OECD Publishing, Paris, https://doi.org/10.1787/ac8ed8e8-en.

As mentioned above, however, it is not immediately clear what activity is being required of the responsible authorities in these actions, whether it is to develop proposals for these codes or whether it is to develop proposals and the codes as well. Greater clarity in this regard could help responsible authorities understand the expectations on them, and could assist monitoring and evaluation of these actions' implementation too. It could also be clearer what is meant in Action 3.1 by the requirement to prepare a 'legislative environment' to enable the preparation of codes of conduct.

In addition, it may be helpful in Action 3.2 to separate out the actions to elaborate a code of ethics and to enhance awareness of the standards it contains. These are separate tasks which, although related, require different indicators to monitor and evaluate implementation. This point is evident in the target completion dates of these separate tasks, which for the elaboration of a code of ethics is set at 31 December 2024, while the completion date for the awareness raising is continuous.

Action 3.2 touches upon the topic of post-employment restrictions. While the NACS includes objectives relating to lobbying and the revolving-door phenomenon (e.g. sub-objective *4.2.2.2. Efficient and effective management of situations involving conflicts of interest or lobbying* and objective *5.5. Integrity of public sector organs*), the Action Plan does not provide any other specific actions in this area. Hungary's scarce regulations on "revolving doors", including post-employment rules and cooling-off periods, have already been stressed by the EC's 2022 Rule of Law Report and by GRECO's 3rd Interim Compliance Report for the Fourth Evaluation Round (European Commission, 2022[7]) (GRECO, 2021[18]). Indeed, rules exist only for a few institutions, such as the State Audit Office, the National Media and Infocommunications Authority,

the Supervisory Authority for Regulatory Affairs and the recently established Integrity Authority (K-Monitor/Transparency International Hungary, 2023[14])

To this end and in line with the previous recommendation, Hungary could separate the measure concerning "*restrictions following the termination of the employment relationship and the employment of their relatives*" from Action 3.2. In this regard, a new action could be introduced focusing on the adoption of provisions to regulate the revolving-door phenomenon. These could include setting rules of procedure for joining the public sector from the private sector and vice versa, imposing cooling-off periods to temporarily restrict former public officials from lobbying their past organisations and imposing similar temporary cooling-off period restrictions on appointing or hiring a lobbyist to fill a regulatory or an advisory post (OECD, 2022[19]). Box 3.6 presents international good practices that regulate movement between the public and private sectors and which could inspire Hungary to strengthen its regulations on the revolving-door phenomenon. Moreover, a dedicated action on the regulation of the revolving-door phenomenon would align the measures of the Action Plan with the NACS objectives in this area, thus improving the overall strategic policy co-ordination. The OECD's Public Integrity Indicators 13.2 and 13.15 could be particularly helpful in measuring the implementation of these suggested actions.

Box 3.6. Examples of provisions on cooling-off periods for elected officials and appointed officials in at-risk positions in OECD counties

In **Australia,** Ministers and Parliamentary Secretaries cannot, for a period of 18 months after they cease to hold office, engage in lobbying activities relating to any matter that they had official dealings within their last 18 months in office. Additionally, persons employed in the Offices of Ministers or Parliamentary Secretaries at Adviser level and above, members of the Australian Defence Force at Colonel level or above (or equivalent), and Agency Heads or persons employed in the Senior Executive Service (or equivalent), shall not, for a period of 12 months after they cease their employment, engage in lobbying activities relating to any matter that they had official dealings with in their last 12 months of employment.

In **Canada**, during the five-year period after they cease to hold office, former designated public office holders are prohibited from engaging in any consultant lobbying activities. Similarly, former designated public office holders who are employed by an organisation are also prohibited from engaging in any inhouse lobbying activities for this same five-year period.

In the **Netherlands**, a circular adopted in October 2020 – "Lobbying ban on former ministries" – prohibits ministers and any officials employed in ministries to take up employment as lobbyists, mediators or intermediaries in business contacts with a ministry representing a policy area for which they previously had public responsibilities. The length of the lobbying ban is two years. The objective of the ban is to prevent retiring or resigning ministers from using their position, and the knowledge and network they acquired in public office, to benefit an organisation employing them after their resignation. The secretary general of the relevant ministry has the option of granting a reasoned request to former ministers who request an exception to the lobbying ban.

In the **United States**, Section 207 of Title 18 of the U.S. Code imposes a "cooling-off period" on former Members of Congress, officers and covered employees. As a general matter, for one or two years after leaving office, those individuals may not seek official action on behalf of anyone else by either communicating with or appearing before specified current officials with the intent to influence them.

Source: OECD (2021[20]), *Lobbying in the 21st Century: Transparency, Integrity and Access*, OECD Publishing, https://doi.org/10.1787/c6d8eff8-en.

Judicial integrity

Table 3.7. Current measures in the Action Plan: Judicial integrity

	Activity	Responsible	Completion
4. Judicial integrity	4.1 The Government invites the Prosecutor General to ensure regular trainings for all prosecutors on the subject of ethics and integrity.	Minister of Interior Minister of Justice	Continuous
	4.2 The Government invites the National Office for the Judiciary and the National Judicial Council to review the judicial code of ethics, particularly as regards the acceptance of gifts.		
	4.3 The Government invites the National Office for the Judiciary to ensure regular trainings for judges and lay judges to promote compliance with the rules of conduct laid down in the judicial code of ethics.		
	4.4 The Government instructs the Minister of Interior and the Minister of Justice, to arrange for the provision of annual joint anti-corruption trainings for judges, prosecutors and police personnel.		
	4.5 The Government instructs the Minister of Interior to initiate, at least once a year, exchanges of experience and co-ordination consultations, on the anti-corruption and integrity trainings, of the training divisions of the organs that have signed the joint anti-corruption declaration.	Ministry of Interior	Continuous
	4.6 The Government instructs the Minister of Interior to provide – with the involvement of the Hungarian Law Enforcement Federation – for the supplementation of the Code of Ethics of the Police Profession in order to enable it to assist the police personnel in regard to the conduct to be adopted, with more detailed and more practical guidance.	Minister of Interior	31/12/2024

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

Inclusion of actions relating to law enforcement and judicial integrity is encouraging, especially as these actions expand the scope of public sector integrity measures beyond central government into different parts of the public sector, and because of the joint nature of some of these actions. Promoting mechanisms for horizontal and vertical co-operation between public officials, units or bodies and where possible, with and between subnational levels of government, through formal or informal means to support coherence and avoid overlap and gaps, and to share and build on lessons learned from good practices is an important aspect of improving public integrity (OECD, 2017[1]). This grouping of actions could be clarified by changing the grouping's name (and the associated intervention area as noted in Table 3.2 above) to reflect that law enforcement and the judiciary are separate.

The inclusion of actions relating to training and awareness raising is also positive. Building knowledge and skills on ethics and anti-corruption is an essential element of a strategic approach to public integrity. To be effective, the timing, content and delivery methods, and target audiences need to be considered. Integrity training should also be interesting and engaging, with different methods used to reach learners (Table 3.8). Hungary could give more thought to how the successes of its existing training practices, such as the judiciary training system and training provided by the NPS, can be developed and taken forward, and where any gaps may need to be addressed (Courts of Hungary, 2023[21]).

Table 3.8. Main training methods for integrity

Method	Approach	Description
Lecture	Rules-based	Public officials are offered lecture-format courses on integrity standards, rules and administrative procedures to reinforce their understanding of ethical concepts and principles of public service. Trainers are mainly the ones intervening.
E-learning module / online course or massive open online course	Rules-based	Public officials are offered online courses or modules through an online platform or website on ethical standards, rules and administrative procedures to reinforce their understanding of ethical concepts and principles of public service. Trainers are mainly the ones intervening.
Coaching and mentoring	Combined	Through peer feedback and discussions, junior public officials are given the opportunity to partner with a senior manager with proven ethical conduct, motivating ethical behaviour and helping to develop ethical awareness to foresee and resolve dilemmas.
Ethical dilemma case studies and discussions	Combined	Based on a described situation or scenario or on non-didactic support such as a video, public officials are encouraged to identify integrity and ethical issues and discuss how to address and avoid them. The trainer acts as a facilitator with the trainees, sharing views and discussing the dilemmas.
Simulation game, role-playing and scenario	Values-based	Public officials are given a scenario, an issue to deal with or a specific function and they are asked to perform it as if they were in a real case situation. The trainer acts as a facilitator only and trainees do most of the work, acting in an inductive way.

Source: OECD (2020[2]), *OECD Public Integrity Handbook*, OECD Publishing, Paris, https://doi.org/10.1787/ac8ed8e8-en.

However, training and awareness raising is only one type of intervention, and Hungary could reflect on whether other types of action relating to other public integrity indicators could be developed here. These other types of action could emerge through the more rigorous approach to problem analysis outlined above.

The actions in this section could be strengthened by disaggregating the target completion dates for Actions 4.1-4.4. Action 4.2 relates to the review of the judicial code of ethics, particularly as regards the acceptance of gifts, and, unless the code will be under continuous review or subject to a type of continuous improvement process, could benefit from being given a target completion date. Actions 4.1, 4.3 and 4.4. all relate to the provision of training to different parts of the law enforcement and judicial system. Monitoring and evaluation of these actions could be improved by including interim target completion dates relating, for instance, to the finalisation of training materials or curricula, capacity building materials, or the delivery of a specified number of sessions in a given timeframe.

With regards to action 4.6 on supplementing the Code of Ethics of the Police Profession with more detailed and practical guidance, good practice can be drawn from OECD member countries, where police codes of ethics are supported by useful examples on how to carry out daily activities (Box 3.7).

Box 3.7. The Code of Ethics of the Garda Síochána in Ireland

In 2016, the Policing Authority in Ireland carried out two rounds of consultations as part of the preparation of the Code of Ethics for the Garda Síochána, the national police service of the Republic of Ireland. In the first round of consultations the Authority invited initial views. Ideas and comments were received from a wide range of contributors, including those who work in the Garda Síochána, members of the public, and statutory and civil society organisations. The Authority considered all submissions received, and then conducted further research to develop a draft Code of Ethics, which was published on the Authority website for further public consultation.

The Code of Ethics was published in 2017 and sets out guiding principles to inform and guide the actions of every member of staff of the Garda Síochána at every level of the organisation. Recognising that in fulfilling their responsibilities, employees are required to exercise considerable discretion, the Code intends to provide practical guidance on responding to given situations and making instant decisions. It is at once a statement of ethical requirements and a clear indication to the public of the norms of behaviour that are entitled to expect.

The Code is structured around the following standards:

- Duty to uphold the law
- Honesty and integrity
- Respect and equality
- Authority and responsibility
- Police powers
- Information and privacy
- Transparency and communication
- Speaking up and reporting wrongdoing
- Leadership

Each standard is explained and accompanied by ethical commitments and relevant examples.

Source: Policing Authority (2020[22]), Code of Ethics for the Garda Síochána, https://www.garda.ie/en/about-us/publications/policy-documents/code-of-ethics-2020.pdf; OECD (2023[23]), *Reforming Integrity Checks and Code of Ethics in Bulgaria: Recommendations for the Anti-Corruption Commission*, https://doi.org/10.1787/d19f60c1-en.

Integrity of public sector organs

Table 3.9. Current measures in the Action Plan: Public Sector Organs

	Activity	Responsible	Completion
5. Integrity of public sector organs	5.1 The Minister of Construction and Transport should – with the involvement of the Minister of Economic Development, the Minister of Finance, the Minister of Interior and the Minister of Justice – make proposal for mitigating integrity risks relating to major investment projects financed with public funds and for the creation of a training system specifically on investment projects.	Minister of Construction and Transport; Minister of Economic Development; Minister of Finance; Minister of Interior; Minister of Justice	30/06/2024
	5.2 The Minister of Economic Development should – with the involvement of the Minister of Construction and Transport, the Minister of Energy, the Minister of Finance and the Minister of Interior – assess the requirements and conditions for, and the expected impacts of, the introduction of the ISO system at business organisations under the State's majority control and – depending on the findings of the assessment – make a proposal to Government for the necessary actions.	Minister of Economic Development; Minister of Construction and Transport; Minister of Energy; Minister of Finance; Minister of Interior	Immediately
	5.3 The Government instructs the ministers concerned to provide – on the basis of the methodology support of the National Protective Service – for the performance of job and position-based risk analysis for the entire personnel of the state administration organs under their direction, and on the basis of the results of that analysis, for taking actions to develop the organisational integrity of the organs concerned.	The ministers concerned Minister of Interior	31/12/2025
	5.4. The Government instructs the Minister of Regional Development to continuously organise the co-ordination of the implementation of the actions of the strategy against fraud violating EU financial interests and the national anti-corruption strategy.	Minister of Regional Development	Continuous
	5.5. The Government instructs the Minister of Justice to work out a proposal for a more effective system for the provision of legal assistance to protect reporting persons in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law.	Minister of Justice	30/09/2023
	5.6. The Government instructs the ministers concerned to provide for the delivery of trainings on the new reporting person protection regulation among the organs receiving reports under their direction or supervision.	The ministers concerned	31/12/2025
	5.7. The Government invites the Hungarian Government Officials' Corps to supplement its Code of Professional Ethics with detailed rules on the resolution of conflicts of interest based on the performance of the tasks of integrity advisors, in accordance with the recommendation of the Council of Europe's Committee of Ministers on the codes of ethics for public officials.		
	5.8. The Government instructs the Minister heading the Cabinet Office of the Prime Minister to assess – with the involvement of the Minister of Interior and the Government Commissioner for Deregulation – the categories of cases regarding which automation and electronic administration can be applied more extensively, to further mitigate risks of corruption in administrative processes.	Minister heading the Cabinet Office of the Prime Minister Minister of Interior Government Commissioner for Deregulation	Continuous
	5.9. The Government instructs the Minister heading the Cabinet Office of the Prime Minister to provide – on the basis of the methodology elaborated by the National University of Public Service in view of the national specifics, adapted to Good State Indicator system – once every two years, for the conducting of a corruption perception survey in Hungary.	Minister heading the Cabinet Office of the Prime Minister	Continuous
	5.10. The Government invites the State Audit Office to pay in the course of its audits, particular emphasis on the regularity of the use of supports and the execution of investment projects as well as the performance of tasks by budgetary organs and state/local government companies providing for the application of the law by authorities and public services.		
	5.11. The Government instructs the Minister of Regional Development to provide, using innovative knowledge management instruments, the integrity knowledge elements required for the performance of the duties of the senior political and professional executives involved in making development policy decisions, and make available the proven good practices accessible across the entire governmental organisation system.	Minister of Regional Development	Continuous
	5.12. The Government instructs the Minister of Justice to make a proposal for the introduction of an effective, proportional and dissuasive sanctioning system involving also administrative and criminal sanctions applying to serious violations of obligations existing on the basis of the asset declaration system.	Minister of Justice	31/07/2023

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

There is an ambitious range of actions in this section of the action plan. It could be the case, given how wide in scope the 'integrity of public organs' grouping is, that this section could benefit from being narrowed down or from more prioritisation. This prioritisation could be achieved, as mentioned in Section 2.2 in Chapter 2, from more rigorous use of evidence in Section 5 (intervention areas) to establish where the greatest risks are and to project the greatest returns on activity.

Several of the actions in this section are designed to be implemented on a continuous basis (Actions 5.4, 5.8, 5.9 and 5.11). All these actions would benefit from the inclusion of intermediary completion target dates, set according to key milestones in the work's development and delivery, which could be used to monitor and evaluate their overall implementation. Two actions in this section do not appear to have responsible owners or completion dates, both of which should be added.

In terms of the content of the actions, Action 5.1 requires the Minister of Construction and Transport and other competent ministers to develop proposals for mitigating integrity risks relating to major investment projects financed with public funds and for the creation of a training system specifically on investment projects. This action could be further enriched with concrete measures and mechanisms that could be employed at each phase of the public investment cycle in order to safeguard integrity. Good practice on this can be drawn from the OECD Integrity Framework for Public Investment (OECD, 2016[24]). Table 3.10 presents some indicative policy options for this purpose.

Table 3.10. Indicative policy options from the OECD Integrity Framework for Public Investment

Phase	Policy objective	Policy options
Applicable to all phases of the public investment cycle	Identifying and managing conflict-of-interest situations	• Developing conflict-of-interest and private-interest disclosure provisions. • Setting specific restrictions and prohibitions on public officials (especially in decision-making positions) working in the public procurement authority or responsible for public procurement in government bodies.
	Providing protection for employees who report wrongdoings or breaches of integrity in both the private and public sector	• Developing guidelines to report wrongdoing in case of integrity breaches or mismanagement. • Providing effective protection ensuring that private and public sector employees, as well as their careers, are protected, in case they report wrongdoing in good faith.

Needs definition and selection phase	Ensuring that the selection of public investment projects does not favour a particular interest group or individual over the public interest	• Inviting relevant groups to participate in the decision-making process.
		• Securing transparency and integrity in lobbying by:
		  o introducing a lobbying registry.
		  o implementing regulations of revolving doors (e.g. cooling-off period, etc.)
		  o ensuring transparency/balanced composition in advisory group.

	Preventing elected officials from choosing a specific public investment to benefit contractors who contributed to their political campaign	• Banning certain types of private contributions, in particular corporations with government contracts or partial government ownership and foreign corporate donations. • Introducing a limit for private funding. • Requiring disclosures of information regarding political funding, including private donations. • Ensuring that companies/contractors publish their contributions to political campaigns and political parties online.
	Limiting the influence of a potential private operator of a public-private partnership (PPP) or a concession	• Establishing standards for risk analysis that limit the room for public officials' discretion. • Publishing the studies and holding the persons who carried out the report responsible.
Planning and document design phase	Ensuring that the design of the tender documents and specifications are not restrictive or tailored	• Creating an independent assessor commission/committee that will address bidders' concerns regarding the design of the tender. • Establishing a tender template limiting over-specification. • Involving experts groups or individuals to participate/help in the design of the tender documents and specifications to avoid restrictive specifications. • Ensuring that designs are complete and a technical commission undertakes site surveys.

Phase	Policy objective	Policy options
Tendering phase	Preventing bid rigging, collusion or the agreed sharing of the market or future contracts in a public investment	• Using framework agreements created through competitive processes. • Using a pre-qualification system with the adequate technical, financial and qualitative criteria. • The pre-qualification phase could include a background check on previous corruption offenses. • Using a two-envelope approach whereby the envelope containing the price is only considered following a technical evaluation.
Implementation and contract management phase	Ensuring that there is not false reporting of invoices regarding costs associated to materials, labour hours and the qualifications of staff	• Publicising the estimated cost of the project and the final cost incurred to citizens through media and community groups. • Increasing the functionalities of the e-procurement systems to cover the contract management phase and assure publication of relevant information in informational portals, including variations and reasons for the overrun.
	Ensuring that there is no delay in public investment due to corrupt practices	• Creating a website that monitors in real time the advancement of the public investment and how the advancement compares to the cost and time estimations. • Training community monitors to observe the progress and quality of the project.
Evaluation and audit phase	Ensuring that the entities (public or private) have an effective system of internal controls and financial reporting to monitor and identify irregularities.	• Appropriate application of robust risk-assessment procedures. • Monitoring cash payments or payments in kind. • Cross-referencing public expenditure information to detect irregularities within and across sectors.

Source: Adapted from OECD (2016[24]), *Integrity Framework for Public Investment*, OECD Public Governance Reviews, OECD Publishing, Paris, https://doi.org/10.1787/9789264251762-en.

Action 5.3 instructs Ministers to use the NPS's risk analysis model to support the development of public sector organs' integrity. The use of this kind of risk analysis is positive and, as noted in other sections of this report, could be extended to other aspects of Hungary's anti-corruption work. However, applying this kind of analysis to all public sector organs is a large undertaking, and this action could benefit from being separated into, for instance, the individual stages of the risk analysis process, with corresponding deadlines. Doing so could aid monitoring and evaluation, providing more opportunity to assess progress across public sector organs and evidence of how the risk analysis process works in practice.

This section envisages also the implementation of measures to protect reporting persons in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law in its Actions 5.5 and 5.6. The EC 2022 Rule of Law Report has previously highlighted that Hungary shows operational deficiencies in the whistleblower regime, including the limited protection against retaliation and the risks of disclosure of whistleblowers' identities (European Commission, 2022[7]). Likewise, the OECD Working Group on Bribery has underscored in its recommendations to Hungary in its implementation of the OECD Anti-Bribery Convention (see below under Section 3.3.2 *"Action against International Bribery"*) the need for Hungary to increase the effectiveness of its whistleblower system, including by addressing the limited protections against retaliation and the uncertainties pertaining to the protection of reporting persons' identity (OECD, 2022[25]) (OECD, 2023[26]). Indeed, according to international standards, the identity of the reporting person may only be disclosed where there is a legal obligation to do so, and such obligation should be confined to the context of investigations by national authorities or judicial proceedings and should be necessary and proportionate, including with the view to safeguard the rights of defence of the person concerned (Directive (EU) 2019/1937, 2019[27]). The use of technological means could help ensure confidentiality. For example, the Italian Anti-corruption Authority (ANAC) in co-operation with Transparency International Italia is promoting the use of a unified reporting platform by all public sector entities, to guarantee the confidentiality of the reporting person's identity and the possibility of communication throughout the process (Box 3.8). The objective is for public entities to use the platform as an internal reporting tool (ANAC, 2021[28]). Apart from ensuring confidentiality, the use of digital technology tools in public organisations and the advertising of their benefits and guarantees, especially where the tool unifies different systems and provides a single

point of access, can inspire confidence in the reporting system, more coherent reports, and legal and administrative certainty for reporters and the authorities dealing with their disclosures.

Box 3.8. The "Whistleblowing PA" project in Italy

Whistleblowing PA is a project aiming to offer all Public Administrations free IT software to communicate with whistleblowers, based on methods that guarantee anonymity. All Italian public administration can join the project by registering online. Once the registration is completed, the institution has access to its own personal platform which will be made available in the cloud and accessible on the internet at a specific address for each Public Administration.

The Whistleblowing PA IT platform is created using the GlobaLeaks software and complies with the law on the protection of whistleblowers. It allows the Head of Corruption Prevention to receive reports of offenses from the employees of the entity and to communicate with whistleblowers, even anonymously. The platform is available with a questionnaire specifically designed by Transparency International Italia for the fight against corrupt activities and compliant with Regulation 179/2017. It guarantees the maintenance and updating of the platform and does not require technical interventions by internal or external entities.

Apart from access to the platform, the project also provides participating Public Administrations with the following:

- Training materials in e-learning mode;
- Specific texts on whistleblowing and on the use of the platform to be published on the body's website;
- Standard text for a newsletter addressed to the employees of the institution;
- Poster in digital format to be printed for posting at the institution;
- The availability of an assistance forum and exchange of best practices;
- Data export and configurations for migration to autonomous information systems (no lock-in);
- Source code available for customisation.

Following continuous requests for support received from other entities, the project will be expended to also cover public and private controlled companies

Source : https ://www.whistleblowing.it/proposte/wb-pa-per-enti-pubblici/.

Action 5.6 requires the relevant Ministers to provide for the delivery of training on the new reporting person protection regulation. While it is positive that this action has a defined completion date, given the draft law requires that most public bodies must set up their whistleblowing channels by December 2023 (and others by January 2025), Hungary could shorten the deadline to improve knowledge and effectiveness sooner among the organs receiving reports under the new regulation (Government of Hungary, 2023[29]).

Action 5.9 focuses on the carrying out of the corruption perception survey developed by the National University of Public Service in co-operation with the SAO and Statistical Office. Officials in the Hungarian government told the OECD in consultations that the survey will be co-ordinated by the Prime Minister's Office and will be based on the Eurobarometer methodology. Surveys can provide valuable insights to help governments understand the incidence of corrupt and unethical practices and how these are perceived in the public sector. Hungary could reframe this measure to increase the scope of the survey to also include experiences and attitudes. Indeed, a combined approach of perceptions and experience surveys can bring more conclusive results. Public sector surveys from OECD Members can provide further guidance on this.

For example, the Government of Brazil in co-operation with the World Bank recently organised a survey among civil servants to generate empirical knowledge about the different types of unethical behaviour, their incidence levels and the possible motivations behind these acts. The survey includes sections on experiences with corruption, reporting mechanisms, as well as rules and regulations and management of human resources (World Bank, 2021[30]). In the United Kingdom, the Civil Service People Survey asks respondents if they are confident that, if they raise a concern under the Civil Service Code in their organisation, it would be investigated properly (UK Cabinet Office, 2022[31]). Similarly, the Integrity Assessment of the Anti-Corruption and Civil Service Commission in Korea includes the Work Integrity Index, which is a set of indicators aiming to gauge civil servants' perceptions of integrity in public organisations. The survey asks, among other things, if civil servants consider that the institution is doing well in detecting and punishing corrupt behaviours (ACRC, 2021[32]). In addition, Hungary could consider how the results of this survey could be used to assess existing practices and aid future policymaking, perhaps by allowing the Anti-Corruption Task Force access to the results as part of its evaluation work.

This section could further benefit from measures to strengthen integrity leadership behaviour among middle managers. While leaders are usually considered as "senior civil servants who occupy the highest-ranking positions of administrative bureaucracies and who lead public civil servants in the pursuit of governmental goals" (Gerson, 2020[33]), line / middle managers are also important because of their larger day-to-day proximity to most public servants who tend to take values and moral signals from those they see around them (OECD, 2018[34]; OECD, 2020[2]; OECD, forthcoming[35]). For example, a study of local governments in the United Kingdom found evidence for the role played by leaders in promoting and reinforcing standards of conduct especially when they intervene informally to steer behaviour and resolve emerging problems rather than just relying on formal mechanisms (Downe, Cowell and Morgan, 2016[36]). In this context, Hungary could consider measures to identify a set of leaders from middle management as internal allies for promoting integrity values and integrity risk management. As a next step, this initiative could be supported by integrity leadership training to support people in carrying out their functions as integrity leaders (OECD, 2020[2]). This could include providing leaders with training opportunities on aspects of the government's integrity standards and system, as well as providing them with opportunities to further develop relevant skills of moral managers.

Finally, the AP could further provide for improved integrity in public sector organs through measures which enhance the Integrity Authority's ability to oversee the functions of bodies tasked with implementing EU funds. As noted above, Hungary committed in its remedial measures to reinforce prevention, detection and correction of illegalities and irregularities concerning the implementation of European Union funds through a newly established Integrity Authority. Act XXVII of 2022 gave the Integrity Authority powers to conduct assessments, investigations and audits in relation to the use of EU funds in Hungary. Section 8 of Act XXVII sets out that the Authority "may conclude agreements with other organs on communication and exchange of information as well as, within the scope of its functions, to facilitate practical arrangements for the exercise of its powers". Beyond that, though, there is little sense of specifically how the Authority is expected to co-operate with and exchange information with other bodies to execute its function effectively. Hungary could therefore include actions to amend Act XXVII to clarify these arrangements.

The Integrity Authority's effectiveness could be improved if Hungary added an action to empower the Authority to access data so it can better carry out its functions. Specifically, the action could give the Authority access to information otherwise protected by law, on banking, tax, and insurance, for example. The action could also stipulate that this data should be conveyed through a direct channel, established between the body or organisation holding the data and the Authority, to improve the efficiency and security of the data sharing.

In addition, the AP could include an action to expand the Authority's investigatory powers, set out in Chapter 3 of Act XXVII, in line with other similar organisations in Hungary, such as the Competition Authority or the National Pharmaceutical Administration. The action could enable the Authority, without having to rely on any other body to do so, to examine and make copies of data held by any organisation

or person relevant to the Authority's investigations. The AP could also give the Authority powers to conduct physical searches where relevant to its investigations, and to legally require investigated bodies or persons to provide information requested by the Authority. These are measures being taken by other OECD members, and Box 3.9 sets out how Latvia has established similar capabilities for its Corruption Prevention and Combatting Bureau (KNAB). Making these additions to the AP would ensure the Integrity Authority was more effective at combating corruption, and could also better enable the Authority to fulfil the requirements set out in the RRP and remedial measures.

Box 3.9. Functions of Latvia's Corruption Prevention and Combating Bureau

Latvia's Corruption Prevention and Combating Bureau (KNAB) is a direct administration body in Latvia that performs its legally-prescribed functions of preventing and combating corruption, and supervises compliance with the rules on financing political organisations (parties) and their associations, and with restrictions on pre-election campaigning.

Section 10 of the Law on Corruption Prevention and Combating Bureau details the Bureau's functions and powers, which include powers to access data (including from credit institutions and registered databases) and the ability to conduct physical searches as part of its corruption combating function.

The European Commission has recently cited the KNAB as an example of best practice in its Handbook of good practices in the fight against corruption.

Source: OECD (2020[2]), *OECD Public Integrity Handbook*, OECD Publishing, Paris, https://doi.org/10.1787/ac8ed8e8-en.

Social integrity

Table 3.11. Current measures in the Action Plan: Social integrity

Activity	Responsible	Completion
6.1. The Government instructs the Minister of Culture and Innovation to develop – with the involvement of the Minister of Interior – a recommendation for the integration of corruption prevention knowledge elements in the study material of higher education institutions to ensure awareness raising among the young generation.	Minister of Culture and Innovation Minister of Interior	30/06/2024
6.2. The Government instructs the Minister of Interior to provide for the delivery of further training content of relevance to ethics and integrity for pedagogues.	Minister of Interior	31/12/2023
6.3. The Government instructs the Minister of Interior to provide – with the involvement of the ministers concerned – for the preparation of mentors in the envisaged mentoring systems of the public sector, to transfer knowledge on corruption.	Minister of Interior ministers concerned	30/06/2024
6.4. The Government instructs the Minister of Interior to assess further possibilities for the mitigation of risks of corruption in public education, health and social care.	Minister of Interior	31/12/2024
6.5. The Government instructs the Minister of Interior to provide for the strengthening of corruption prevention practices of public education institutions.	Minister of Interior	31/12/2024
6.6. The Government instructs the Minister of Interior to assess, on the basis of experience from reliability tests carried out so far, further possibilities for the extension of the application of this legal institution.	Minister of Interior	31/12/2024
6.7. The Government instructs the Minister of Justice to assess the possibility of introducing, at statutory professional bodies and organs providing public services, integrity awareness support measures already being applied at public sector institutions.	Ministry of Justice	31/12/2024
6.8. The Government instructs the Minister heading the Cabinet Office of the Prime Minister to provide – with the involvement of the Minister of Justice, the Minister of Foreign Affairs and Trade and the Minister of Interior – for the conduct of information campaigns.	Minister heading the Cabinet Office of the Prime Minister Minister of Justice Minister of Foreign Affairs and Trade Minister of Interior	30/06/2024
6.8a. regarding the functions of parallel reporting systems, the process and utility of reporting, the protection of the reporting person, highlighting citizens' responsibility relating to the suspicion of international bribery.		

(Column: 6. Social integrity)

6.8b. on the elimination of envelope payment in the health sector.	Minister heading the Cabinet Office of the Prime Minister Minister of Interior	30/06/2024
6.9. The Government invites the Commissioner for Fundamental Rights to contribute to the implementation of point 6.8 a) promoting the reporting person protection system becoming an effective means of the fight against corruption.		
6.10. The Government instructs the Minister of Interior to provide for the delivery of regular training for those working in the social care sector to improve their individual integrity.	Minister of Interior	31/12/2023
6.11. The Government instructs the Minister of Finance to make proposal for the extension of the anti-money laundering regulations to fund managers managing private closed-end funds and to the funds under their management.	Minister of Finance	31/12/2023
6.12. The Government instructs the Minister of Finance to review the regime of the supervision of asset management foundations and fiduciary asset management from the aspect of the risk of tax evasion and money laundering.	Minister of Finance	31/12/2023

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

Principle 5 of the OECD *Recommendation on Public Integrity* stresses that raising awareness in society of the benefits of public integrity, reducing tolerance of violations of public integrity standards and carrying out, where appropriate, campaigns to promote civic education on public integrity, among individuals and particularly in schools is a key aspect of promoting a whole of society culture of integrity (OECD, 2017[1]). The OECD has previously emphasised that "buy-in from core stakeholders is necessary if education for public integrity is to be effective" (OECD, 2018[37]). Without their support, the programme, no matter how fascinating the content, will not be successful. To facilitate engagement, policymakers may wish to identify a working group of key stakeholders, including representatives from the ministry of interior, the relevant integrity body, educators, and other interested parties, such as universities, religious groups, teachers' unions, parent associations and/or student groups, and other civil society organisations. It may therefore be worth considering how this type of society involvement can be incorporated into the actions in this section of the AP.

Several measures in this section of the AP could benefit from clarity about what implementing authorities are being required to deliver. Action 6.1 instructs the Ministry of Culture to develop a recommendation with a completion date well within the reporting period of the NACS, so there is therefore scope to expand on what will be delivered following the recommendation's development. Similarly, Actions 6.4 and 6.7 require assessments to be made across three sectors. Both actions could benefit from more clarity about what outcome the assessment is designed to support. Action 6.4 could also make clearer why these three sectors have been chosen. It may be the case that the assessment at Action 6.4 will support other actions in this section (such as Actions 6.5, 6.8b and 6.10), but if so this connection could be made clearer and target delivery dates sequenced appropriately. And in a similar way, Action 6.9 could benefit from more clarity on what type of contribution the Commissioner for Fundamental Rights is invited to make to the implementation of point 6.8a, particularly given the Commissioner is only responsible for one part of the reporting system.

Action against international bribery

Table 3.12. Current measures in the Action Plan: Action against international bribery

	Activity	Responsible	Completion
7. Action against international bribery	7.1a. The Government instructs the Minister of Justice and the Minister of Interior to scrutinise the operation of the rules on the financing of domestic political parties in the light of action against international bribery.	Minister of Justice Minister of Interior	31/12/2023
	7.1b. The Government instructs the Minister of Justice and the Minister of Interior to scrutinise the international and European legal rules and practices applying to political organisations in relation to countering international bribery.	Minister of Justice Minister of Interior	31/12/2023
	7.2. The Government instructs the Minister of Foreign Affairs and Trade to provide for the delivery of trainings for employees of agencies co-operating with Hungarian companies, and foreign representations, as well as participants involved in exports, in order to identify and avoid risks of international corruption and regarding the fulfilment of the obligation to report suspicions of the offence of international bribery they have detected.	Minister of Foreign Affairs and Trade	Continuous
	7.3. The Government instructs the Minister of Finance to provide for the regular delivery of special training for those engaged in accounting, auditing, and for tax experts and tax advisers, regarding the risks of international bribery.	Minister of Finance	Continuous
	7.4. The Government instructs the Minister of Foreign Affairs and Trade to assess the exposure to international bribery of Hungarian companies and other undertakings with international interests, in a breakdown by economic sector.	Minister of Foreign Affairs and Trade	31/12/2024
	7.5. The Government instructs the Minister of Finance to create a framework for co-operation between the National Tax and Customs Administration and the Office of the Prosecutor General regarding international bribery, to enhance access to judgments delivered and to boost the efficiency of the sending and receipt of reports concerning criminal offences detected by the tax authority.	Minister of Finance	31/12/2023
	7.6. The Government instructs the Minister of Justice to conduct – while initiating co-operation with the Prosecutor General – a programme for international exchange of experience, to promote the effective performance of investigation by the prosecution service of cases of international bribery, representation of the prosecution and the related codification tasks.	Minister of Justice	31/12/2025

Source: Draft Action Plan of the Medium Term National Anti-Corruption Strategy for 2023-2025 of Hungary.

Hungary has been a Party to the *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* (OECD Anti-Bribery Convention) since the Convention's entry into force in 1999. The OECD Anti-Bribery Convention is the first and only international anti-corruption instrument focused on the 'supply side' of the bribery transaction. It establishes legally binding obligations on Parties to criminalise the bribery of foreign public officials in international business transactions and provides for a host of related measures that make this effective. These include requiring Parties to hold their companies liable, to impose effective, proportionate and dissuasive sanctions, and to provide mutual legal assistance in foreign bribery cases. As a Party to the OECD Anti-Bribery Convention, Hungary is also subject to the peer-review monitoring system required under Art. 12 of the Convention, which is undertaken by the Working Group on Bribery (WGB) that is comprised of the 44 States Parties to the OECD Anti-Bribery Convention.

The draft National Anti-Corruption Strategy rightly places a strong emphasis on the importance of combating international bribery, including with a reference to Hungary's role as a Party to the Convention and member of the WGB and efforts taken to date to address some of the recommendations made by the WGB to strengthen Hungary's implementation of the OECD Anti-Bribery Convention. However, the Strategy and relevant Actions could more accurately reflect the publicly stated expectations of the WGB on steps Hungary should take to address the WGB's recommendations – some of which remain outstanding since March 2012 (OECD, 2023[38]).

These recommendations in Box 3.10 relate to Hungary's lack of understanding of foreign bribery risk exposure, absence of strategy for proactively detecting and investigating foreign bribery cases, inadequate

time to apply investigative measures to suspects in highly complex multijurisdictional cases and lack of legal clarity in relation to corporate responsibility for foreign bribery. The WGB also remains seriously concerned about Hungary's low level of foreign bribery enforcement.

Box 3.10. Working Group on Bribery Outstanding Recommendations to Hungary on Implementation of the OECD Anti-Bribery Convention

As of December 2022, the following WGB recommendations remained outstanding in the ongoing evaluation of Hungary's implementation of its obligations under the OECD Anti-Bribery Convention:

Text of recommendation 1(a):

1. Regarding the detection of foreign bribery in the government and private sectors, the Working Group recommends that Hungary take the following steps to increase the effectiveness of its whistleblower system for the purpose of detecting the bribery of foreign public officials:

a) Raise awareness in the public and private sectors, including SMEs, of how an effective whistleblower system helps to detect crimes, including foreign bribery, and increases integrity in public and private governance. [2009 Recommendation IX, iii)]

Text of recommendation 4(a):

4. Regarding the detection and investigation of foreign bribery by the competent authorities, the Working Group recommends that Hungary:

a) Undertake an assessment of the foreign bribery risk exposure of: i) Hungarian companies, including SMEs, ii) MNEs using Hungary as a manufacturing base and then re-exporting goods to other markets, 3) the expanding presence of MNEs for the purpose of developing and exporting new technology-based industrial production, including in the transportation, healthcare and pharmaceutical industries, and 4) SOEs, including in the electricity, gas, transport and finance sectors

Text of recommendation 4(b):

4. Regarding the detection and investigation of foreign bribery by the competent authorities, the Working Group recommends that Hungary:

b) Develop and implement a strategy for proactively detecting and investigating foreign bribery cases, including through the use of all available sources of detection inside and outside of the law enforcement community, and training specifically targeted at foreign bribery. [Convention, Article 5; 2009 Recommendation, I, paragraph D)]

Text of recommendation 6(b):

6. Regarding the investigation and prosecution of foreign bribery, the Working Group recommends that Hungary:

b) Urgently implement the Phase 3 recommendation to extend the two-year investigation time limit for foreign bribery offences in a manner that ensures that there is adequate time to apply investigative measures to natural person suspects including in highly complex multijurisdictional cases. [Convention, Article 6]

Text of recommendation 9(b):

9. Regarding corporate responsibility for foreign bribery, the Working Group recommends that Hungary:

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b) Review Act CIV of 2001 on the liability of legal persons, in consultation with business, NGOs and the legal profession, to identify possible opportunities to improve the clarity and efficacy of the law on the liability of legal persons in relation to the foreign bribery offence. [Convention, Articles 1 and 2; 2009 Recommendation, Annex I, paragraph B)]

Source: OECD (2023[26]), Hungary – OECD Anti-Bribery Convention Monitoring and peer review history, https://www.oecd.org/daf/anti-bribery/hungary-oecdanti-briberyconvention.htm.

The WGB expects Hungary to present material progress against these recommendations by June 2023. The draft NACS and AP should address these outstanding recommendations more explicitly and include objectives and actions which reflect how the recommendations will be implemented. These objectives and actions could also reflect any new measures considered by the WGB arising from the discussions of Hungary's progress report in June.

In the meantime, the following additional observations can be made:

- The Actions should involve all those agencies responsible for implementing the Convention in Hungary, including the Ministry of Interior, the Ministry of Justice, the Ministry of Foreign Affairs and Trade, the General Prosecutor's Office, the National Tax and Customs Administration, the Hungarian Financial Intelligence Unit and the Integrity Authority. For the purposes of engaging the private sector and awareness-raising, the following government agencies should also be consulted in the Strategy and its Action Plan: the National Protection Service, the Public Procurement Authority, the Hungarian Export Promotion Agency, the Hungarian Export-Import Bank Private Limited Company, and the Hungarian Export Credit Insurance Private Limited Company.

- References to the financing of domestic political parties and to political organisations should be clarified so that it is clearer how Hungarian efforts on this issue strengthen Hungary's fight against foreign bribery under the OECD Anti-Bribery Convention.

Actions 7.1a and 7.1b may further benefit from greater clarity about what kind of scrutiny the Ministries of Justice and Interior should undertake, and what outcome this scrutiny will support. Likewise, the assessment required in Action 7.4 seems positive, but the action could be strengthened by clarifying what this assessment will lead to.

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Annex 3.A. Summary of proposed additions and amendments to the Action Plan

1. Transparency

On asset declarations

- Develop a clear legislative framework that establishes the verification mandate of a central oversight body, such as the Integrity Authority. This mandate should equip the central oversight body with sufficient powers and resources to perform its duties, including access to government registers and databases and the possibility to request access information from public and private entities and abroad.
- Develop an automated risk analysis framework for the verification of asset declarations, in parallel with the creation of an electronic system for filing and managing asset declarations.
- Move Action 5.12 for introducing an effective, proportional and dissuasive sanctioning system involving also administrative and criminal sanctions applying to serious violations of obligations existing on the basis of the asset declaration system under the section on "Transparency" to improve coherence within the NACS.
- Develop guidelines on filing asset declarations by use of the envisaged electronic filing system including a range of examples on financial and economic interests, debts and assets to improve the understanding of public officials regarding their obligations and the overall quality of the information provided.

On the financing of political parties and election campaigns

- Strengthen the national legal framework for transparency and integrity in the financing of political parties and electoral campaigns, in particular through:
  - expanding the definition of political advertising under the Electoral Procedure Act to also cover advertisements on social media platforms, including by financed third parties
  - banning the use of public funds and resources in favour of or against a political party
  - expanding the mandate of the SAO to cover all political parties
  - assuring the SAO's analytical capacity to detect irregularities through co-ordination and exchange of information between the SAO with other law enforcement bodies.

2. Legislative Integrity

- Clarify the activities assigned to responsible implementing authorities to improve their understanding of the expected actions and facilitate monitoring and evaluation during the implementation phase.
- Separate out the measures to elaborate a code of ethics and to enhance awareness of the standards it contains under Action 3.

On post-employment restrictions

- Separating the measure concerning *"restrictions following the termination of the employment relationship and the employment of their relatives"* from Action 3.2 and introduce a new action

focusing on the adoption of provisions to regulate the revolving-door phenomenon, in particular through:

- o   setting rules of procedure for joining the public sector from the private sector and vice versa
- o   imposing cooling-off periods to temporarily restrict former public officials from lobbying their past organisations
- o   imposing similar temporary cooling-off period restrictions on appointing or hiring a lobbyist to fill a regulatory or an advisory post.

3. Judicial Integrity

- • Clarify the grouping of actions under this section by changing the grouping's name (and the associated intervention area as noted in Table 3.2) to reflect that law enforcement and the judiciary are separate.
- • Consider successes of existing training practices, such as the judiciary training system, and identify gaps, which may need to be addressed.
- • Disaggregating the target completion dates for Actions 4.1-4.4.

4. Integrity of Public Sector Organs

- • Considering the ambitious range of actions in this section of the action plan and the continuous planning of the relevant actions, include intermediary completion target dates, set according to key milestones in the work's development and delivery, which could be used to monitor and evaluate their overall implementation.
- • Ensure that all actions are assigned to responsible owners with indicated completion dates.

On mitigating integrity risks relating to major investment projects financed with public funds

- • Develop measures and mechanisms to safeguard integrity at each phase of the public investment cycle.
- • Separate Action 5.3 into the individual stages of the risk analysis process, with corresponding deadlines.

On whistleblower protection

- • Increase the effectiveness of the whistleblower system, in particular through:
  - o   protection against retaliation
  - o   protection of the reporting persons' identity, for example by use of technological means to ensure confidentiality.
- • Shorten the implementation deadline of Action 5.6 to align with the implementation deadline indicated in the draft law.

On designing a corruption perception survey

- • Increase the scope of the survey to also include experiences and attitudes towards corruption.
- • Use the results of the survey to assess existing practices and aid future policymaking, perhaps by allowing the Anti-Corruption Taskforce access to the results as part of its evaluation work.

On integrity leadership behaviour

- Include measures to strengthen integrity leadership behaviour among middle managers, in particular:
  - o identify a set of leaders from middle management as internal allies for promoting integrity values and integrity risk management
  - o organise integrity leadership training to support people in carrying out their functions as integrity leaders. The training could cover aspects of the government's integrity standards, as well as developing skills of moral managers.

On the powers of the Integrity Authority

- Give the Authority powers to access data more effectively, especially information on, for instance, banking, tax and insurance.
- Extend the Authority's investigative powers, including allowing the Authority to make physical searches and requiring other bodies to provide requested information.

5. Social Integrity

- Include measures to facilitate society engagement in the development and implementation of education programmes on public integrity, for example by identifying a working group of key stakeholders, including representatives from the Ministry of Interior, the relevant integrity body, educators, and other interested parties, such as universities, religious groups, teachers' unions, parent associations and/or student groups, and other civil society organisations.
- Clarify the assigned actions to implementing authorities by explaining what is expected to be delivered.

6. Action against International Bribery

- Take measures to reflect the recommendations of the Working Group on Bribery (WGB).
- Increase the range of actors involved in the implementation of actions related to foreign bribery, and conduct wider consultation to raise awareness about actions on foreign bribery.

Note

[1] The term "nepotism" as used in the NACS refers to the employment and promotion for employment of relatives.

4 Monitoring, evaluating and communicating the implementation of Hungary's NACS 2023-2025

This chapter assesses Hungary's proposed processes for monitoring and evaluating the implementation of the NACS 2023-2025. There is scope for Hungary to improve these processes, and this chapter recommends that Hungary could improve coordination mechanisms, clarify funding for actions, and develop indicators for measuring implementation. In addition, the chapter explores how Hungary can allow for flexible adjustments to be made to the NACS and action plan during the reporting period. And it suggests how Hungary could communicate with relevant stakeholders and the public during implementation to inform them of progress made.

4.1. Introduction

To properly gauge the effectiveness of an integrity strategy, it is important to specify monitoring and evaluation arrangements. Monitoring is a continuous function that uses systematic collection of data on specific indicators to provide an indication of the achievement of objectives. Evaluation is the systematic and objective assessment of an ongoing or completed project, programme or policy, its design, implementation and results. It differs from monitoring in that it involves a judgement of the value of the activity and its results (OECD, 2013[1]).

These mechanisms are often institutionalised within the policymaking process for all public policies (Jacob, Speer and Furubo, 2015[2]). Evaluation mechanisms at various stages of the policy process are defined and planned prior to implementing any actions. Having a clear idea of what data will be collected for evaluation, as well as how and when measures taken will be evaluated, informs the design and implementation of actions. It is essential to establish evaluation mechanisms before the implementation phase to ensure measurability, progress reports and accountability. Some data may overlap with what has been collected for the risk identification and assessment procedure in the *ex ante* stage, but the monitoring and evaluation arrangements have a different purpose: holding the implementing actors accountable for what has been achieved, and how efficiently (OECD, 2020[3]).

Monitoring and evaluation could also generate actionable insights that could help the Medium Term National Anti-Corruption Strategy for 2023-2025 (hereinafter referred to as NACS) to identify what is working and address what is not working, as well as provide information to communicate to stakeholders and the public about progress and results, thus establishing the base for transparency and accountability.

Although interconnected, the differences between monitoring and evaluation are straightforward.

- Monitoring corresponds to a routine process of evidence gathering and reporting to ensure that resources are adequately spent, outputs are successfully delivered and milestones and goals are met. For monitoring, it is necessary to systematically collect data on specified indicators to provide the main stakeholders of an ongoing initiative with insights about progress and challenges in its implementation. In the context of Hungary's NACS, monitoring could enable tracking and, if needed, modifying the different measures considered in the AP.

- Policy evaluation is a structured and objective assessment of an ongoing or completed initiative, its design, implementation and results. The goal of policy evaluation is to determine the relevance and fulfilment of objectives, its coherence, efficiency, effectiveness, impact and sustainability, as well as the worth or significance of a policy (OECD, 2020[4]; OECD, 2017[5]). Above all, policy evaluations should trigger learning and enable continuity and coherence over time. One criteria used in OECD's Public Integrity Indicator for the quality of the strategic framework is precisely whether current strategies have used evidence from evaluations of predecessor strategies to inform their approach.

In turn, communication with both internal and external stakeholders enables accountability, increases the credibility of integrity efforts and stimulates future action. The benefit of monitoring and evaluation for management, policy design, and organisational learning depends significantly on how process and results are communicated (OECD, 2017[5]). As such, communication could be further introduced as an integral part of the NACS and its M&E framework.

4.2. Developing the monitoring and evaluation framework of the NACS 2023-2025

An effective anti-corruption strategy and action plan must not only lay out a comprehensive set of substantive reforms, but also indicate the means for ensuring its implementation, monitoring and evaluation as well as communication (OECD, 2020[3]).

An effective monitoring and evaluation system should be incorporated in the continuous update and improvement cycle of the strategic framework (OECD, 2023[6]; OECD, 2021[7]). Thus, public integrity measurement tools such as the OECD Public Integrity Indicators highlight the importance of well-integrated monitoring and evaluation activities within every action plan (OECD, 2023[6]). Table 4.1 shows key elements of effective monitoring practices according to the criteria set in the OECD Public Integrity Indicators (OECD, 2023[6]).

Table 4.1. Elements of an effective monitoring system

Criteria measured within the OECD Public Integrity Indicators to assess effective monitoring systems

OECD Public integrity indicator number	Criteria to fulfil
3.5.13	All monitoring reports draw conclusions and have a dedicated section with recommendations to management.
3.5.14	The responsible body(ies) have initiated consultations with relevant state administration bodies to discuss the monitoring report(s) during the latest full calendar year.
3.4.15	At least one responsible body has initiated consultations with the general public and/or civil society organisations on its monitoring reports during the latest full calendar year or the year prior to that.

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 5.
Source: OECD (2023[6]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

Regarding evaluation practices, the OECD Public Integrity Indicators measuring the OECD Recommendations on Public Integrity, highlight how crucial it is to incorporate the results of system-wide evaluations into every update of strategic objectives. Moreover, effective evaluation practices also engage external non-state actors to secure an unbiased assessment and endow external legitimacy to evaluation exercises. Table 4.2 shows key criteria to ensure transparent and effective evaluation practices (OECD, 2023[6]).

Table 4.2. Criteria for the transparency of evaluation practices and their use in decision-making

OECD Public integrity indicator number	Criteria to fulfill
3.8.1	An evaluation report exists for all predecessor strategies.
3.8.2	All evaluation reports for predecessor strategies have been published online by the national authorities.
3.8.3	Non-state actors were involved in the evaluation of at least one of the predecessor strategies, either as evaluators or as part of a formal review/quality assurance mechanism.
3.8.4	Current strategies all have an end-of-term evaluation listed as an activity in their action plan.
3.8.5	Current strategies have all used evidence from evaluations of predecessor strategies to inform their approach.

Note: The list of criteria in this table respond to the OECD Public Integrity Indicators, Principle 3, indicator 8.
Source: OECD (2023[6]), OECD Public Integrity Indicators, https://oecd-public-integrity-indicators.org/.

This section assesses the monitoring and evaluation arrangements for the NACS and AP, and makes some proposals for how these arrangements could be improved to ensure the NACS produces the change it is designed to produce.

4.2.1. Clarify who owns co-ordination mechanisms for the Action Plan, how activity will be funded, and how indicators will be used to promote implementation of the NACS and AP

Steering, ownership and co-ordination

Country practices and experiences show that an effective public integrity system requires commitment from the highest political and management levels of the public sector. In particular, this means developing the necessary legal and institutional frameworks and clarifying institutional responsibilities. This is necessary since the promotion of public integrity typically involves many different public sector actors covering the various functions of an integrity system as defined in the OECD *Recommendation on Public Integrity* (OECD, 2017[8]).

The *Recommendation on Public Integrity* also invites countries to promote mechanisms for horizontal and vertical co-operation between the different relevant public integrity actors, including, where possible, with and between subnational levels of government. Such co-operation mechanisms can be formal or informal and aim at supporting coherence, avoiding overlaps and gaps, and sharing information and lessons learned from good practices (OECD, 2017[8]). Such arrangements for co-ordination are particularly relevant in the context of the implementation of a national strategy like the NACS.

Arrangements in other countries indicate that, to allow for a proper functioning of such a co-ordination mechanism, it is important that there is a technical support unit with the required mandate, summoning power, capacities and appropriate financial resources to convene the relevant actors, organise necessary meetings and agendas, steer the discussions, and prepare background information. This body could also be responsible for monitoring the implementation by the various agencies responsible for different measures of the AP (see Section 4.2.2).

As previously mentioned, the NACS could make clearer how the responsible entities for implementation were involved in the process of elaborating the strategy. The strategy development process could benefit from the appropriate participation of actors responsible for carrying out any part of the strategy. Where various agencies, departments, units and individuals across different branches of power have responsibilities for implementing elements of a strategy, their acceptance and active support of the strategy's objectives and actions will be critical for the strategy to succeed (OECD, 2020[3]).

Budget

In the section on financing, the NACS states that the "majority of the directions of actions stipulated in the intervention areas do not project cost requirements that would require budgetary funds to be planned outside the regular operational budgets of the organs concerned." Officials from the Ministry of Justice and the NPS told the OECD that, in particular, the legislative measures proposed in the AP would not require any new funding commitment.

For some activities, the NACS acknowledges that extra funding will be required. This includes resources for the development and implementation of the information campaign (6.8) envisaged within the "Social integrity" intervention area, the implementation of the corruption perception survey every two years (5.9) included in the "Integrity of public sector organs" intervention area, and the IT developments included in the "Integrity of public sector organs" intervention area (5.5). Officials from the Ministry of Justice and the NPS told us that the Hungarian Government has agreed in principle to allocate budget to the areas which require extra funding. Hungary may wish to consider how objectives and actions will be prioritised in the event of budget reductions and funding shortfalls. Hungary could set a specific requirement in the NACS for implementing authorities to raise resourcing issues in the status reports they are required to submit to the NPS as the monitoring body for the NACS.

Indicators

As set out above, the NACS could improve its use of indicators, baselines, milestones and targets to give implementing authorities a better of sense of what they are expected to deliver, how, and by when. Selecting one or more indicators of progress, choosing a baseline for each indicator, and establishing realistic targets for each implementation indicator element also allows a more in-depth evaluation of progress and delivery. As set out in Section 4.2.2 below, evidence from monitoring or evaluation can enhance targeting and steering of current and future policies.

Officials from the NPS said in consultations with the OECD that they would develop and include a 'fixed rate indicator' in the implementation matrix, which would allow them to benchmark measures and enable comparison with future strategies. Hungary could also draw data from different sources for measuring various aspects and levels of the NACS's implementation. This is because a range of indicators from different sources, including administrative data, public and staff surveys, documents and legislation, can give policymakers a more holistic and integrated view of what it is really happening.

Table 4.3 sets out examples of different data sources that can be used to develop indicators. Hungary could draw from the data sources set out in Section 2.2.2, Chapter 2 and incorporate indicators, such as those set out below, into their monitoring and evaluation process.

Table 4.3. Potential data sources for indicators measuring public integrity policies

Data Source	Description	Examples
Administrative Data	Quantitative information compiled routinely by government institutions, international organisations or civil society groups.	• Number of complaints received in a given time frame • Data on the use of web-based tools for interacting with citizens • Percentage of asset declarations that result in an investigation • Percentage of middle management who received training on conflict of interest management
Public Surveys	Information gathered through surveys of the general public, which can be used to generate ratings for indicators based on public perceptions or experiences.	• Questions asking for the perceived corruption overall or in different government institutions or services • Questions asking for victimisation, e.g. Percentage of population who paid a bribe to a public official, or were asked for a bribe by these public officials, during the last 12 months

Expert Surveys	Information gathered confidentially from individuals with specialised knowledge based on their experience or professional position. The choice of experts is crucial and must be tailored to the questions being asked.	• Extend to which experts consider a given policy measure or mechanism as effectively implemented in practice, e.g.:
		  o In practice, the existing whistleblowing protection regulation are effective in protecting whistleblowers from retaliation at the workplace
		  o In practice, the regulations restricting post-government private sector employment for heads of state and government and ministers are effective

Staff Surveys	Information gathered through surveys of employees/civil servants, which can be used to generate ratings for indicators based on public perceptions or experiences. Staff surveys can be covering a sample from the whole civil service or be limited to samples from one or more specific public entities.	• Are you confident that if you raise a concern under the Public Ethics Law in [your organisation] it would be investigated properly? • People who take ethical shortcuts are more likely to succeed in their careers than those who do not • The organisation makes it sufficiently clear to me how I should conduct myself appropriately toward others within the organisation • My supervisor sets a good example in terms of ethical behaviour
Enterprise Surveys	Information gathered through surveys of private companies, which can be used to generate ratings for indicators based on public perceptions or experiences. Enterprise surveys can be disaggregated by sectors, or size, for instance.	• Questions asking for the perceived corruption overall or in different government institutions or services, e.g. Percentage of firms identifying corruption as a major constraint • Questions asking for victimisation, e.g. Percentage of businesses that paid a bribe to a public official, or were asked for a bribe by these public officials, during the last 12 months

Data Source	Description	Examples
Focus Groups	Focus groups bring together structured samples of a range of social groups to gather perceptions in an interactive group setting where participants can engage with one another. Focus groups can be quicker and less costly than large representative surveys.	• What are the main challenges faced by private firms wishing to report irregularities in public procurement processes? • Level of awareness of middle management of fraud and corruption risk management • Experiences of vulnerable citizen groups with access to public services
Observations	Data gathered by researchers or field staff. This information can be collected through in-depth case studies or systematic observations of a particular institution or settings.	• Review of the regularity and completeness of risk management practices • Percentage of follow-up and implementation of internal audit reports
Documents and Legislation	Information culled from written documents. Can be used to verify the existence of certain regulations, products and procedures.	• Do public entities periodically publish data on X? • Availability of reporting of total cost and physical progress of major infrastructure projects

Source: (OECD, 2017[5]) based on information adapted from (United Nations, 2011[9]; Parsons, 2013[10]; Kaptein, 2007[11]).

4.2.2. Include a methodology allowing for flexible adjustments of the NACS in the monitoring

The aim of monitoring is to identify real-time challenges related to the implementation of a strategy, to inform decisions and enable adjustments during implementation. To achieve this feed-back loop between monitoring and implementation, clear indicators, mechanisms and procedures to discuss progress made should be established. Monitoring works best if it is part of the day-to-day activity of the agencies responsible for implementing the strategy. A central monitoring body, working outside these implementing agencies, can ensure that relevant information about the overall status of the implementation of the strategy is bundled and analysed to draw a complete and coherent picture that facilitates decision-making, communication and incentives for improvement through benchmarking. Such a central monitoring system can only work if monitoring begins effectively at the level of the implementing agencies, who need to be committed to gather and report the relevant information.

Monitoring the implementation of anti-corruption strategies is essential to draw lessons and to increase the understanding of what works, why, for whom and under what circumstances. This should be a continuous process that allows for the strategy's ongoing reassessment and revision, in order to establish its adaptability to changing circumstances and the emergence of new challenges, while maintaining its core vision. Although the strategy was developed at a particular point in time responding to specific requirements, it is important to ensure that it is a living document offering a flexible implementation framework that can reflect potential political, organisational and policy changes (UNODC, 2015[12]).

Moreover, a continuous reassessment of the strategy, its objectives and its actions can help achieve real change and results that are more realistic, lowering risk and seizing on windows of opportunity. For example, the Argentinian National Integrity Strategy entrenches flexibility in planning as a guiding principle and provides a dynamic set up, which allows participating bodies to provide information during implementation and to incorporate new actions after the strategy has launched (Jenkins and Camacho, 2022[13]). Indeed, the Anti-Corruption Office of Argentina notes that while the strategy has established objectives and actions, it must be flexible to incorporate new initiatives and actions from public entities to respond to the demands of their fields of competence. For this reason, implementing public entities have the opportunity to make additions or adjustments as they complete their goals. This flexibility makes the strategy a living and ever-expanding document (Oficina Anticorrupción de Argentina, 2021[14]). Hungary could explore methods for an iterative reassessment and adaptation process of the NACS based on information gleaned from monitoring and evaluating activities with the agile involvement of implementing agencies across the public sector.

According to the NACS, the entity responsible for monitoring the AP is the National Protection Service (NPS). The NPS is a special police force under the Ministry of Interior in charge of detecting and preventing

crimes committed by law enforcement officials. The NPS has also conducted several awareness-raising initiatives on anti-corruption, ethics and integrity, which have targeted public officials and private companies. The NPS co-operates with the Prime Minister's Office, which leads on monitoring the Strategy Against Fraud and Corruption for European Union Funds. Based on the monitoring activities conducted by the NPS, the Ministry of Interior is responsible for reporting once a year to the Hungarian Government the status of the NACS's implementation.

Officials at the Ministry of Justice and the NPS said in consultations that the NPS is in constant communication with the authorities implementing public integrity measures. The NPS requests routine status reports on implementation, and every second and fourth year receives more detailed summary reports. These reports are based on standardised questions and data standards which are then tailored depending on the nature of the commitment and the implementing authority.

Hungary could consider whether the NPS is the most appropriate entity, as a law enforcement agency, for the monitoring of strategy implementation. There could be a risk that monitoring is perceived as a control mechanism intended to 'name and shame' agencies not implementing the strategy well enough. In these circumstances, implementing agencies may be less likely to report challenges they encounter, and it may be more likely that agencies seek to 'game' the indicators to make implementation look more effective than it is. Instead, monitoring should be established as a joint exercise to analyse and overcome implementation challenges, particularly in an environment in which implementation is spread across departments and agencies.

Hungary could also consider whether the NPS has the resource and convening power to effectively co-ordinate and oversee the implementation of the NACS, given the range of objectives and actions in the strategy which apply to bodies across the public sector, including outside central government. Other OECD countries have established joint units incorporating the public authorities with responsibility for implementing the strategy to improve monitoring and co-ordination. For instance, following publication of the UK's Anti-Corruption Strategy in 2017 (UK HM Government, 2017[15]), the UK's Joint Anti-Corruption Unit has been responsible for co-ordinating anti-corruption work across government, supporting the Prime Minister's Anti-Corruption Champion, and facilitating an Inter-Ministerial Group on corruption which assessed implementation and the changing nature of the corruption threat in the United Kingdom. The NPS could retain a valuable secretariat function, but monitoring may be more effective if Hungary's Anti-Corruption Task Force, which was established as a joint platform including different implementing authorities, took a more involved role in monitoring as well as evaluation.

Finally, as already highlighted in the previous section and in Section 3.3.1, Chapter 3, the AP does not provide the required level of detail (intermediate steps and milestones) nor the related indicators to enable an effective monitoring process. Again, a more in-depth planning exercise to determine the intermediary steps and milestones and indicators could be undertaken. This planning process could also think about risks that could undermine the achievement of the objectives and the measures included in the AP.

4.2.3. Clarify the methodology for evaluation, defining indicators and including evaluations in the action plan

The information produced by monitoring integrity policies can be used, together with adequate indicators or proxies for the desired outcomes, to evaluate the outcome and impacts of the NACS. Evaluations ask questions beyond the implementation status of a given action, and look instead into questions such relevance, coherence, effectiveness, efficiency, impact or sustainability (Box 4.1). As such, evaluations usually use a broad spectrum of sources of both quantitative and qualitative information to answer these questions and focus on drawing lessons learnt.

According to the NACS, the Anti-corruption Task Force would be responsible for evaluating the implementation of the NACS on an annual basis. These results would be discussed by the Hungarian

Government which would then take decisions on whether / how to revise the strategy. The NACS could more clearly lay out the methodology of this evaluation, e.g., following the guidance in Box 4.1, assign budget for carrying out these evaluations, and set out relevant actions in the action plan. In addition, although Hungary committed to adopt a report on the implementation of the NACS by 28 February 2026, which is positive, the NACS itself could be clearer on how this evaluation at the end of the implementation period will work, and how any results will be taken into account in the design of future integrity policies.

In addition, Hungary may wish to consider how the Anti-corruption Task Force's evaluations could be supported by third-party evaluations, which could provide comparisons with best practice and recommendations for keeping the strategy and Hungary's anti-corruption work relevant and responsive. For instance, the Romanian NAS 2016-2020 was independently reviewed by the OECD (OECD, 2021[16]).

Box 4.1. Methodology that could be used to evaluate the achievement of envisaged results of the NACS

As a policy evaluation, the goal is not to assess whether every single activity of a given strategy has been implemented to what degree, but rather to look whether the strategy has been able to contribute to the stated goals and objectives. As such, while the level of implementation is a relevant dimension to look at, an evaluation goes beyond the implementation and achievement of outputs to investigate the change to which the strategy has contributed and to what extend the desired results have been achieved and how (OECD, 2017[5]).

As such, the methodology to evaluate the achievement of the envisaged results and the objectives of the NACS could take into account the following dimensions:

- **Relevance**: Was the NACS designed to respond to country needs and priorities? To what extend are the objectives still valid? Do the stakeholders feel a sense of ownership?

- **Coherence**: Was the NACS coherent with other governance reforms and policies in relevant key areas (external coherence)? Were the different objectives of the NACS designed in a way to reinforce one another and create synergies and were the activities relevant to contribute to the achievement of the results and the objectives (internal coherence)?

- **Effectiveness**: To what degree has the NACS achieved the envisaged goals and implemented the activities (level of implementation)? What were the major factors influencing the achievement or non-achievement of the objectives?

- **Efficiency**: How well were the available resources used to achieve the objectives of the NACS? Where the objectives achieved on time?

- **Impact**: What differences did the NACS make? What were the positive changes and could some unintended consequences be observed?

- **Sustainability**: How did the NACS build on earlier efforts to prevent and combat corruption and how likely are the implemented changes to last over time?

Note: The criteria follow the OECD-DAC evaluation criteria.
Source: Adapted from (OECD, 2021[16]), *Evaluation of the Romanian National Anti-corruption Strategy 2016-2020*, OECD, Paris, https://www.oecd.org/gov/ethics/evaluation-romanian-national-anti-corruption-strategy-2016-2020.pdf.

4.3. Establishing a plan for communicating the implementation of the NACS 2023-2025

Aside from monitoring and measuring the benefits of the NACS, communicating progress and results to internal and external stakeholders, including the wider public, does not only enable accountability, but also increases the credibility of integrity efforts by the government and fosters support for the strategy to keep up public pressure for full implementation when it faces political barriers. In their action plan, countries may include information and communication activities, taking into account all new information media such as social media, as well as traditional and tested approaches such as town hall meetings and public hearings (UNODC, 2015[12]).

4.3.1. Plan measures to engage relevant stakeholders and civil society in monitoring implementation, and develop a communications strategy to involve and inform citizens and businesses

The current version of the NACS does not include a communication strategy of the results of the implementation of the NACS and its AP to a wider group of internal and external stakeholders. It includes a mandate to the Ministry of Interior to report to the Hungarian Government the status of the strategy's implementation, and a mandate to the Anti-corruption Task Force to discuss the evaluation results with the Hungarian Government to define whether the NACS should be revised. However, relevant stakeholders from both the public sector and the whole of society are not targeted with relevant communication activities, missing the opportunity to showcase successes, gain wider support and increase credibility.

Communicating regularly and clearly about progress in the achievement of the NACS's goals could have several advantages, including building citizens' trust and increasing general support for the strategy. Hungary could design and implement a communication strategy that focuses on the achievements of the NACS and its AP, showing that change is possible. Such results need to be real and based on the data from monitoring activities and evaluations' results, to avoid promoting cynicism, decaying trust in government and disconnecting citizens from constructive political engagement. Hungary could consider international good practices for designing a communication strategy (Box 4.2).

Box 4.2. Good practices for designing a communication strategy

When designing a communication strategy, there are several elements that countries should considered to maximise its effectiveness. Below, some general good practices for designing a communication strategy:

- **Carry out a context analysis**: To be able to communicate successfully, it is indispensable to have a clear understanding of the issues that are being addressed, based on evidence rather than impressions.

- **Define the main objectives of the communication strategy**: Based on the context, define the objectives of the communication strategy. This could be done by responding to the following questions: "What is the change or impact you are trying to make? What does success look like?"

- **Identify the target audiences**: Who are you targeting? Whose life do you want to change?

- **Carefully design the messages to avoid negative impact**: Messages should be designed carefully in order to avoid negative or unexpected consequences. For instance, raising the issue of corruption and the costs related to it may lead to undesired consequences. In a context where corruption is already very present in the public debate and media, awareness raising campaigns on corruption may increase the already high awareness for an existing problem and thereby confirming the impression that corruption is widespread, leading to inaction or increasing corruption.

- **Identify relevant channels that can be used to distribute the messages**: When identifying the relevant channels, it may be relevant to use the following guiding questions: How do you engage with our audience? Where are they most receptive? Which format will be more engaging for them? Channels may include television, print media, the website, blogs, social media, and specific networks and partnerships.

- **Identify the resources and skills needed for the implementation of the strategy.**

- **Assess the results of the communication campaigns and the impact of the strategy**: Assess the impact of communications strategy to fine-tune and improve, within a continuous circle of implementation, evaluation and adaptation.

Source: OECD elaboration.

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OECD Public Governance Reviews

A Strategic Approach to Public Integrity in Hungary

THE 2023-25 NATIONAL ANTI-CORRUPTION STRATEGY AND ACTION PLAN

This report provides an assessment of Hungary's Draft Medium Term National Anti-Corruption Strategy for 2023-2025 (NACS) and the Action Plan for its implementation. The NACS is one of several steps Hungary is taking to improve its rule of law performance. This report highlights strengths and makes recommendations for improving the NACS based on international good practice, the OECD's Public Integrity Indicators, and Hungary's commitments within its Recovery and Resilience Plan and remedial measures.